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JAN 9 1984 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

REGISTRATION F3

Filed 1425

INTERSTATE COMMERCE COMMISSION

January 6, 1984

Secretary of the Interstate Commerce Commission
Washington, D. C. 20423

INTERSTATE COMMERCE COMMISSION

Re: Transmittal Letter for Recordation
of Bareboat Charter Agreement,
Senior Security Agreement and
Subordinated Security Agreement

No.

Date JAN 9 1984

Fee \$ 150.00

ICC Washington, D. C.

Dear Sir:

Enclosed are one original and three certified copies of each of three documents, described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code and 49 C.F.R. Part 1177. We are submitting these documents in our capacity as special counsel to NYTR Transportation Corp., the company that initiated the sale and leaseback transaction in connection with which the enclosed documents were executed and delivered.

A short summary of each document as it should appear in the Commission index for public use, as required by 49 C.F.R. Section 1177.4(a), is as follows:

1. Bareboat Charter Agreement between Olive Leasing Corporation, Three Radnor Corporate Center, Suite 400, 100 Matsonford Road, Radnor, Pennsylvania 19087, as owner, and NYTR Transportation Corp., One Paragon Drive, P. O. Box 432, Montvale, New Jersey 07645, as charterer, dated December 30, 1983, covering one hundred sixteen (116) open deck river scows.

2. Senior Security Agreement between Olive Leasing Corporation, Three Radnor Corporate Center, Suite 400, 100 Matsonford Road, Radnor, Pennsylvania 19087, as debtor, and Citicorp Industrial Credit, Inc., 560 Sylvan Avenue, Englewood Cliffs, New Jersey 07632, as senior lender, dated December 30, 1983, covering one hundred sixteen (116) open deck river scows, and other related property.

RECEIVED
JAN 30 1984
REGISTRATION BR.

Countersigned - Michele Munden

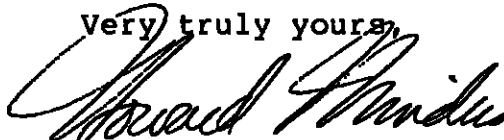
3. Subordinated Security Agreement between Olive Leasing Corporation, Three Radnor Corporate Center, Suite 400, 100 Matsonford Road, Radnor, Pennsylvania 19087, as debtor, and NYTR Transportation Corp., One Paragon Drive, P. O. Box 432, Montvale, New Jersey 07645, as subordinated lender, dated December 30, 1983, covering one hundred sixteen (116) open deck river scows and other related property.

The one hundred sixteen (116) open deck river scows covered by each of the above described documents are used on the intracoastal waterways and rivers in the vicinity of New York City (including northeastern New Jersey and southwestern Connecticut) to carry aggregate, crushed stone and similar building materials. Attached is a list containing the name and official number of each such open deck river scow. Each such open deck river scow is documented as a "vessel of the United States" in the Port of New York.

Each document enclosed is a "primary document" as described by 49 C.F.R. Section 1177.1. As required by 49 C.F.R. Section 1177.3(c), the recordation fee for each of the three documents is \$50, or a total of \$150. Our check for \$150 is enclosed.

Please return the original and any extra copies not needed by the Commission for recordation to the undersigned, Howard V. Mindus, Esq., Morgan, Lewis & Bockius, 101 Park Avenue, New York, New York 10178.

Very truly yours,



Howard V. Mindus

HVM:se
enclosures

BRONX	295439	FREDERICK C PALMER	289190
QUEENS	295438	FREDERICK DeGROAT	288642
BROOKLYN	291365	GEORGE KIELEY	287957
MANHATTAN	291364	CLINTON POIT	503597
RICHMOND	291061	JOHN H MATHIS	501995
CHELSEA	284051	JAMES BEDMAR	203529
BOGOTA	502327	AMOS BULSON	279244
FLUSHING	291883	WILLIAM E. KENNEY	276961
HELEN COEN	291558	GEORGE TILTON	287490
JILL	530185	MARY LOY TILTON	287447
PRINCIPE-DANHA	532559	MARIE TILTON	287426
FRANK CASTIGLIONE	534572	ALFRED BENSON	277502
A L REES	536023	JAMES HECK	277639
FRANK IGLIAROLO	532561	PAUL W. RELYEA	277405
SAM A ALBICOCCO	533760	MICHAEL SCUNDA	277404
THE QUADROZZIS	505192	ROCCO RAVIERI	276931
JOHN E RATH	514072	HARRY JUNE, SR	276764
ARTHUR L HENDRICKSON	514071	LEONARD MORIGERATO	276595
EUGENE D HALLOCK, JR.	513383	ANTONIO CAMPALA	276502
FRANK COONEY	169852	STIRLING TOPKINS	276412
PORT WASHINGTON	514073	DAVID J RYNE	276413
EDWARD A TULLY	512305	HARRY L DIEMER	276236
CORNELIUS VANDERBILT JR	511630	RALPH OWEN	276287
NICOLA LIZZA	510101	WILLIAM HARDING	276045
HATTITUCK	508661	KENNETH H WHEELER	275094
JOSEPH J CESARANO	507417	GEORGE W JENNINGS	275875
JOSEPH H GENOVESE	506744	JOHN CURRAN, JR	275714
GEORGE H THOMPSON	506302	GEORGE A ALLEN	275713
WEST NYACK	505749	OTTO HANSEN	275520
GUS HANSEN	505258	STEPHEN H CHONKO	275476
EDDYVILLE	504637	FRANK J CERCHI SR	275475
FRANCIS J PERINI	290820	WALTER BATTEN	275074
CLARENCE RYDER	290589	TONY MAUGIACASALE	275333
CHARLES E PALMATIER	290107	JOHN J KOVATCH	275241
RICHARD S. HOPPER	290391	FILLIPPO CENTORANI	275134

VINCENT D. ANTONELLI	275135	101	609086
FRANCIS R. COOK	274929	ROBERT H. VANDERBILT	664794
SIMON G. DU BOIS	274930	JOSEPH RAIA SR.	664792
JAMES ANDERSON, SR.	274817	GRAZIANO ZARA	664791
JOHN MONFRONI	274816	MARIE SCARMELLA	664793
GUISEPPE PIACENTINI	274725	KARLYNN 707	521482
STEPHEN GASPER	274694	CARLO E. LIZZA 710	521960
PETER QUATTROCIOCHI	274642	FRANCES II 727	523180
HENRY GUYETTE	273313	VIRGINIA M 747	524738
VINCENZO TROPIANO	272898	LB-74	293408
CHARLES F. McELROY	272284	LB-75	293615
DABNEY WILLIAMS	271553	FEENEY 16	292880
EARL OSSMAN	271487	FEENEY 17	293418
EDGAR J. COY	269658	FEENEY 19	297589
WALTER W. BOBB	269496	FEENEY 20	295053
RICHARD R. KELLY	269495	FEENEY 21	503003
JOSEPH P. McGUIRE	269494	FEENEY 22	503598
INNIS O'ROURKE	269225	FEENEY 23	535643
MARCY	298991	FEENEY 24	537085
JOSEPH D. ZELLER	281210	FEENEY 25	537814
LOUIS W. ZELLER	287277	FEENEY 26	539019
EDWARD W. ZELLER	294499	FEENEY 100	294122
GOMANUS	291060	FEENEY 101	295998

Interstate Commerce Commission
Washington, D.C. 20423

1/9/84

OFFICE OF THE SECRETARY

Howard V. Mindus
Morgan, Lewis & Bockius
101 Park Avenue
New York, N.Y. 10178

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **1/9/84** at **3:45pm** and assigned re-recording number(s). **W-28, W-28-A, W-28-B**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

REGISTRAR NO. 71-28 FILE 1425
JAN 9 1984 - 3 45 PM
INTERSTATE COMMERCE COMMISSION

Certificate

Attached is a true and complete copy of the Bareboat Charter Agreement dated December 30, 1983 between Olive Leasing Corporation and NYTR Transportation Corp., which I have carefully compared with the original.

IN WITNESS WHEREOF, I have signed this certificate this 6th day of January, 1984.

Adele Mahlow
Notary Public

ADELE MAHLOW
NOTARY PUBLIC, State of New York
No. 71-4734
Qualified in New York County
Commission Expires March 30, 1984

[Seal]

W-28
RECORDATION NO. _____ FILE NO. _____

JAN 9 1984 -3 45 PM

INTERSTATE COMMERCE COMMISSION

BAREBOAT CHARTER AGREEMENT

Dated December 30, 1983

between

OLIVE LEASING CORPORATION,

as Owner

and

NYTR TRANSPORTATION CORP.,

as Charterer

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 on December 30, 1983 at _____.m., E.S.T., recordation number ____.

The Owner's right, title and interest in, to and under this Bareboat Charter Agreement are subject (with certain exceptions) to security interests in favor of Citicorp Industrial Credit, Inc. and NYTR Transportation Corp.

BAREBOAT CHARTER AGREEMENT

Date of Bareboat Charter Agreement: December 30, 1983.

Name and Address of Owner:

**OLIVE LEASING CORPORATION
Three Radnor Center, Suite 400
Radnor, Pennsylvania 19087
Attention: President**

Name and Address of Charterer:

**NYTR TRANSPORTATION CORP.
One Paragon Drive
P.O. Box 432
Montvale, New Jersey 07645
Attention: President**

*** * ***

The Owner and the Charterer, in consideration of the mutual agreements herein contained and intending to be legally bound, hereby agree as follows:

Section 1. Definitions.

The terms defined in Schedule 1 hereto are used herein with the respective meanings set forth in such Schedule.

Section 2. Charter of Vessels.

Subject to the terms and conditions hereof, the Owner hereby charters to the Charterer, and the Charterer hereby charters from the Owner, each Vessel.

Section 3. Term.

(a) The term of this Charter as to each Vessel shall begin on the Purchase Date and shall end on December 31, 1995, or such later date to which this Charter may be extended or renewed in accordance with the terms hereof, or such earlier date on which this Charter shall have been terminated as to such Vessel in accordance with the terms hereof.

(b) If there shall be any Accumulated Payments Credit, unless a Charter Event of Default or Owner Requisition shall have occurred and be continuing, the Charterer shall have the right, exercisable by notice to the Owner given not later than 270 days

prior to the expiration of the Basic Term, to extend the term of the Charter for an Extension Term commencing on January 1, 1996 and ending on the earlier of (i) December 31, 1997 or (ii) the date on which the aggregate volume of Aggregate loaded onto all of the Vessels after December 31, 1995, plus the aggregate volume of Aggregate loaded onto other Fleet Vessels after December 31, 1995 for delivery in the Market Area, shall first be equal to or greater than the quotient obtained by dividing the Accumulated Payments Credit by the Base Rate. Such extension shall be on the same terms and conditions as are set forth herein with respect to the Basic Term, except that (as set forth in Section 4(e) hereof) the Charterer shall not be required to pay any Basic Hire during the Extension Term and the Casualty Value of each Vessel throughout the Extension Term shall be equal to the Estimated Residual Value of such Vessel.

(c) The Charterer shall also have the right to renew this Charter in accordance with the provisions of Section 19 hereof.

Section 4. Basic Hire

(a) On each Basic Hire Date during the Basic Term, the Charterer shall pay to the Owner Basic Hire for the preceding calendar year (or, in the case of the payment on the last day of the Basic Term, for the calendar year or portion thereof then ending) in an amount equal to the sum of:

(i) the product obtained by multiplying (x) the Transportation Volume for such preceding calendar year (or, in the case of the payment on the last day of the Basic Term, for the calendar year or portion thereof then ending) times (y) the Base Rate, less the Excess Volume Discount, if any, for such calendar year (or, in the case of the payment on the last day of the Basic Term, for the calendar year or portion thereof then ending) (the amount required to be so paid is herein called the "Base Payment"); plus

(ii) the product obtained by multiplying (x) the Shortfall Volume for such preceding calendar year (or, in the case of the payment on the last day of the Basic Term, for the calendar year or portion thereof then ending), if any, times (y) the Base Rate, provided that the amount required to be paid pursuant to this clause (ii) on any date for the payment of Basic Hire shall not exceed the balance in the Excess Volume Discount Account immediately before such payment (the amount required to be so paid is herein called the "Discount Payment"); plus

(iii) the amount, if any, by which the sum of the amounts required to be paid pursuant to clauses (i) and (ii) of this Section 4(a) is less than the Annual Base Amount for the preceding calendar year (or, in the case of the payment on the last day of the Basic Term, for the calendar year or portion thereof then ending), provided that the amount required to be paid pursuant to this clause (iii) on any date for the payment of Basic Hire shall not exceed the balance of the Special Payment Account immediately before such payment (the amount required to be so paid is herein called the "Special Payment").

(b) On June 30 in each calendar year during the Basic Term, the Charterer shall furnish to the Owner a statement of the Charterer's best estimate, determined in good faith, of the Transportation Volume for the current calendar year (i.e., through December 31) and the Basic Hire that will be payable pursuant to Section 4(a) hereof on the next succeeding Basic Hire Date, setting forth in reasonable detail the basis for such estimates and the methods of computation employed. Such estimate shall not be less than twice the actual Transportation Volume from January through June of such calendar year unless the Charterer presents clear and convincing reasons therefor. On July 1 of such calendar year the Charterer shall pay to the Owner an amount equal to one-half of the Basic Hire that the Charterer has so estimated will be payable pursuant to said Section 4(a) on the next succeeding Basic Hire Date. Such payment, together with any voluntary payment then made by the Charterer pursuant to Section 4(d) hereof, shall constitute a non-refundable advance on account of the Charterer's obligation to pay Basic Hire on the next succeeding Basic Hire Date, and shall be credited and applied to such obligation on such Basic Hire Date in the following order of priority: first to the Base Payment, second to any Discount Payment and third to any Special Payment.

(c) On any Basic Hire Date during the Basic Term on which the Basic Hire then payable pursuant to Section 4(a) hereof is less than the Annual Base Amount, the Charterer may, at its option, make a payment to the Owner in an amount equal to such difference.

(d) On any July 1 during the Basic Term on which the amount then payable pursuant to Section 4(b) hereof is less than the Semiannual Base Amount, the Charterer may, at its option, make a payment to the Owner in an amount equal to such difference.

(e) The Charterer shall not be required to make any

payments of Basic Hire during the Extension Term, if elected.

(f) On each Basic Hire Date during any Renewal Term, the Charterer shall pay to the Owner Basic Hire for each Vessel in an amount equal to the quarter-annual Fair Market Hire for such Vessel for such Renewal Term.

Section 5. Supplemental Hire.

The Charterer shall pay to the Owner, or to any other Participant entitled to receive the same, Supplemental Hire as follows:

(i) on demand, any amount (other than Basic Hire and Casualty Value, if any) which the Charterer assumes the obligation to pay, or agrees to pay, to the Owner or any other Participant under this Charter or under the other Basic Documents; and

(ii) on the Loss Payment Date provided herein, any amount payable hereunder as Casualty Value; and

(iii) to the extent permitted by applicable law, interest (computed on the basis of the actual number of days elapsed and a year of 360 days) at the Overdue Rate (x) on any payment of Basic Hire or Casualty Value, if any, not paid when due for any period for which the same shall be overdue and (y) on any payment of Supplemental Hire (including without limitation, to the extent permitted by applicable law, interest payable under this clause (iii), but excluding payments of Casualty Value, if any) not paid within 10 days after the same shall have been demanded hereunder for the period from the date of such demand until the date on which the same shall be paid.

Section 6. Payments of Hire; Obligations Absolute.

(a) Each payment of Hire hereunder to the Owner or any other Participant shall be paid in immediately available funds on or before the date such payment is due, in such manner and at such other address as such Participant may reasonably direct by notice in writing to the Charterer, in each case with sufficient information to permit such Participant to identify the funds as paid by the Charterer pursuant to this Charter. So long as the Senior Security Agreement has not been discharged, the Charterer shall pay all Hire stated in this Charter to be payable to the Owner to the Senior Lender for application in accordance with the Senior Security Agreement. Thereafter, so long as the Subordinated Security Agreement has not been discharged, (i) so

much of any payment in respect of Hire under Section 4 hereof or in respect of Casualty Value under Section 12(b) hereof as does not exceed the amount then due and payable in respect of the principal of and interest on the Subordinated Note shall be paid by the Charterer directly to the Subordinated Lender on behalf of the Owner, and (ii) the remaining balance of any such payment shall be paid by the Charterer directly to the Owner, provided that if a Subordinated Loan Default shall have occurred and be continuing, the Charterer shall pay all Hire stated in this Charter to be payable to the Owner to the Subordinated Lender for application in accordance with the Subordinated Security Agreement (except that Excepted Payments shall be paid directly to the Owner). After both Security Agreements have been discharged, all Hire stated in this Charter to be payable to the Owner shall be paid by the Charterer directly to the Owner. If the date for payment of any Hire shall be a day other than a Business Day, then such payment shall be made on the next succeeding Business Day, with the same force and effect as if made on the due date.

(b) This Charter is a net charter and the Charterer acknowledges and agrees that the Charterer's obligation to pay all Hire hereunder, and the rights of the Owner in and to such Hire, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment ("Abatements") for any reason whatsoever, including without limitation Abatements due to any present or future claims of the Charterer against the Owner or any other Participant under this Charter or otherwise. Except as otherwise expressly provided herein, this Charter shall not terminate, nor shall the obligations of the Charterer in any way be affected, by reason of any defect in or damage to, or any loss, destruction, seizure or forfeiture of, the Vessels or any Vessel from whatsoever cause, or the interference with the possession, use or enjoyment thereof by any person whomsoever, or the invalidity or unenforceability or lack of due authorization of this Charter, or the lack of right, power or authority of the Charterer to enter into this Charter, or any bankruptcy, insolvency or reorganization of the Charterer, or any breach by the Owner of any representation, warranty or agreement set forth in this Charter or any document referred to herein, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding. It is the express intention of the Owner and the Charterer that all Hire payable by the Charterer hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Charter. Nothing in this Section 6(b) shall impair or diminish the rights of the Charterer to proceed by appropriate court action, either at law or in equity,

to enforce performance by the Owner of any obligation of the Owner under this Charter or to recover damages for the breach thereof.

Section 7. Return of Vessels.

(a) Upon the expiration or termination of this Charter, the Charterer, at its own expense, shall promptly return each Vessel to the Owner and, if so requested by the Owner, shall store the Vessels for a period of not more than 150 days without cost to the Owner (but at the risk of the Owner, who shall be responsible for any insurance during such period). Storage shall be at one or more of Charterer's Vessel Storage Locations or at any other secure locations within the present Vessel Service Area selected by the Charterer. Upon such return or at the end of the storage period, the Charterer shall deliver the Vessels to such locations within the present Vessel Service Area as the Owner shall have requested, provided, that the Charterer shall not be required to deliver fewer than six Vessels to any single location at one time. Each of the parties hereto shall communicate in timely manner and otherwise cooperate with the other party hereto concerning all arrangements for the return, storage and delivery of the Vessels pursuant to this Section 7(a). Each such Vessel, upon return pursuant hereto, shall be in the condition required pursuant to Section 11 hereof and shall be free and clear of all Liens other than the Security Agreements and Mortgages (if not previously discharged) and Owner's Liens, if any.

(b) The Charterer shall not be required to return any Vessel as to which an Event of Loss shall have occurred, any Vessel purchased by the Charterer from the Owner (whether pursuant to any provision of this Charter or otherwise), or any Vessel not in the possession of the Charterer by reason of an Owner Requisition.

Section 8. Representations and Agreements of the Owner.

(a) The Owner represents, warrants and agrees that, with respect to each Vessel, (i) it has such title to such Vessel as was conveyed to it by the Charterer, (ii) such Vessel shall, throughout the Term, be free and clear of Owner's Liens, other than Owner's Liens for taxes either not yet due or being contested in good faith by appropriate proceedings, so long as there is no material risk of any sale, forfeiture or loss of such Vessel, and (iii) during the Term, if and so long as no Charter Event of Default has occurred and is continuing, the Charterer's possession, use and enjoyment of such Vessel shall not be interrupted by the Owner or by any person claiming by, through or under the Owner (including the Lenders), except as expressly provided in Section 16 hereof if such Vessel is a Requisitioned

Vessel.

(b) The warranties set forth in Section 8(a) hereof are in lieu of all other warranties of the Owner, whether written, oral or implied, relating to the Vessels; and the Owner shall not be deemed to have made, and the OWNER HEREBY DISCLAIMS, ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION THE DESIGN OR CONDITION OF THE VESSELS, THEIR MERCHANTABILITY OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE VESSELS OR CONFORMITY OF THE VESSELS TO THE PROVISIONS AND SPECIFICATIONS OF ANY CONSTRUCTION OR PURCHASE AGREEMENTS RELATING THERETO, NOR SHALL THE OWNER BE LIABLE, IN CONNECTION WITH ANY SUCH DISCLAIMED WARRANTY OR OTHERWISE, FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT), it being recognized and acknowledged that all of the Vessels have been selected by the Charterer for use in its business.

(c) The Owner authorizes the Charterer, at the Charterer's expense, to assert for the Charterer's account, during the Term, so long as no Charter Event of Default or Owner Requisition shall have occurred and be continuing hereunder, all of the Owner's rights under any Vessel Warranty and the Owner agrees to cooperate with the Charterer in asserting such rights. The Charterer shall indemnify and shall hold the Owner harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred or suffered by the Owner in connection therewith, as a result of or incidental to any action by the Charterer pursuant to the above authorization. Any amount received by the Owner as payment under any Vessel Warranty shall be applied to restore the Vessels to the condition required by Section 11 hereof, with the balance of such amount, if any, to be paid over to the Charterer.

Section 9. Liens.

The Charterer shall not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to any Vessel, the Owner's title thereto or any interest therein (and the Charterer shall promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except the following (collectively, "Permitted Liens"): (i) the respective rights of the Participants under the Basic Documents, (ii) Owner's Liens, (iii) Liens for Impositions that are not yet past due, (iv) maritime Liens for current crew's, stevedore's or master's wages that are not yet past due, (v) maritime Liens with respect to obligations incident to the maintenance, repair and alteration of the Vessels that are not yet past due, (vi) maritime Liens with respect to other obligations incident to the

current operation of the Vessels that either are not yet past due or (if subordinate to the Liens of the Security Agreements and Mortgages) have been due and payable for a period of less than 60 days, (vii) any Liens being contested by the Charterer in good faith and by appropriate proceedings, so long as, in the reasonable opinion of the Owner and the Lenders, there is no material risk of any sale, forfeiture or loss of any Vessel, and (viii) subcharters permitted under Section 15(a) hereof.

Section 10. Taxes.

(a) The Charterer agrees to pay and to indemnify each Indemnified Person for, and to hold each Indemnified Person harmless (on an after-tax basis) from and against, all sales, use, personal property, ad valorem, value added, documentary, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature, together with any penalties, fines or interest thereon, imposed by any Federal, state or local government or taxing authority ("Impositions"), arising out of the transactions contemplated by the Basic Documents (except to the extent included in Owner's Cost therefor) or upon or with respect to any Vessel or upon the sale, purchase, ownership, delivery, chartering, subchartering, possession, use, operation, return or other disposition thereof, or upon the hirings, receipts or earnings arising therefrom, or upon or with respect to this Charter, excluding, however, Impositions on or measured by the net income, capital or net worth of any Indemnified Person which are imposed by the United States of America or by any state or local government or taxing authority in which such Indemnified Person has its principal office or the office through which it is participating in the transactions contemplated by the Basic Documents, other than any such Imposition resulting directly or indirectly from any amount paid or payable by way of a refund, credit or warranty payment under any Vessel Warranty; provided, however, that the Charterer's foregoing agreement to pay, indemnify and hold harmless (i) shall be conditioned upon receiving notice from the Indemnified Person of any Impositions of which it is aware, (ii) shall not apply to any penalties, fines or interest payable as a result of any delay on the part of an Indemnified Person to give notice pursuant to the preceding clause (i), and (iii) and shall not apply so long as and to the extent that the Charterer shall have given to the Indemnified Person written notice to the effect that such Imposition is being contested by the Charterer in good faith and by appropriate proceedings and counsel for the Indemnified Person shall have determined that, in their opinion, such contest or nonpayment does not result in any material risk of any material fine or penalty or of any sale, forfeiture or loss of any Vessel. All amounts payable by the Charterer under this Section 10(a) shall be payable, to the extent not theretofore paid, on written demand

of the Indemnified Person.

(b) In case any report or return is required to be made with respect to any obligation of any Indemnified Person under Section 10(a) hereof or arising out of said Section 10(a), the Charterer shall either make such report or return in such manner as will show the ownership of the Vessels in the Owner and send a copy of such report or return to the Owner and such Indemnified Person or shall notify the Owner and such Indemnified Person of such requirement and make such report or return in such manner as shall be satisfactory to the Owner and such Indemnified Person. The Owner agrees to cooperate with the Charterer in the preparation of any such report or return.

(c) If any Indemnified Person shall realize a tax benefit as the result of the payment by or on behalf of such Indemnified Person of any Impositions paid or reimbursed by the Charterer pursuant to this Section 10 and such tax benefit has not otherwise been taken into account under this Section 10, then such Indemnified Person shall promptly pay to the Charterer an amount equal to the amount of such tax benefit plus an amount equal to any tax benefit attributable to a payment made to this sentence. If, after an Indemnified Person has made a payment pursuant to the preceding sentence, the relevant tax benefit is reduced, whether by reason of an audit adjustment by the relevant taxing authority or a loss, tax credit or other tax carryback or carryover, or otherwise, the Charterer shall, upon notification by such Indemnified Person, pay such Indemnified Person an amount that, after deduction of all Impositions required to be paid by such Indemnified Person in respect of the receipt or accrual of such payment, shall be equal to the amount of the reduction in such tax benefit.

Section 11. Use and Maintenance; Alterations; Identifying Marks; Inspection.

(a) The Charterer shall use, operate, maintain and repair the Vessels (or cause the Vessels to be used, operated, maintained and repaired) in accordance with good commercial practices in the Aggregate river scow shipping industry, and in compliance with (i) any and all laws, ordinances, rules, regulations or orders of any governmental authority or court applicable to the use, operation, maintenance or repair of the Vessels and (provided that the Charterer shall not be required to comply with any such laws, ordinances, rules, regulations or orders so long as it is contesting the validity, application or interpretation thereof in good faith and by appropriate proceedings, and so long as, in the reasonable opinion of the Owner and the Lenders, there is no material risk of any sale, forfeiture or loss of any Vessel or of any material criminal or

civil penalty) and (ii) any and all applicable provisions of the insurance policies required to be maintained under this Charter.

(b) The Charterer shall use the Vessels solely for the transportation of Aggregate in a manner consistent with the ordinary conduct of the business of the Charterer as presently conducted. The Charterer shall make the Vessels available for the transportation in the Market Area of Aggregate produced by NYTR to the extent that NYTR requires the use of the Vessels for such purpose, whether as contemplated by the Clinton Point Agreement or otherwise.

(c) The Charterer at its expense shall at all times maintain the Vessels in accordance with good commercial practices generally employed in the Aggregate river scow shipping industry, and in accordance with any more stringent requirements that the Charterer employs to maintain the Vessels or other vessels of similar size, design, class and age within its fleet, so that the Vessels shall be, insofar as due diligence can make them so, tight, staunch, strong and well and sufficiently tacked, apparelled, furnished, equipped and in every respect seaworthy and in good operating condition, subject to such ordinary wear and tear as might reasonably be expected for river scows of similar size, design, class and age engaged in the transportation of Aggregate. The Vessels shall be repaired, overhauled, dry-docked, cleaned and painted by the Charterer at its expense whenever necessary to maintain the Vessels in accordance with this Section 11(c). The Charterer shall maintain records of all maintenance and repair work done with respect to each Vessel in accordance with prudent practices in the Aggregate river scow shipping industry.

(d) Except as required pursuant to Section 11(e) hereof, the Charterer shall not, without the prior written Consent of the Owner and the Lenders, alter or modify any Vessel in any way which could impair its originally intended function, use, capacity or value, nor connect, affix or install any equipment, accessory or device to or on any Vessel which is not readily removable without damaging the Vessel or which could impair the originally intended function, use, capacity or value of any Vessel. Without limiting the effect of the first sentence of this Section 11(d), all equipment, accessories and devices connected, affixed or installed to or on any Vessel shall become the property of the Owner upon the expiration or termination of this Charter without cost to the Owner (and the Charterer shall, if so requested, execute appropriate instruments of conveyance to the Owner) except such as shall have been removed by the Charterer prior to such expiration or termination without damaging the Vessel or impairing the originally intended function, use, capacity or value of such Vessel.

(e) Notwithstanding any prohibitions of Section 11(d) hereof, the Charterer shall make all alterations and modifications to the Vessels and shall connect, affix and install any equipment, accessory or device to or on the Vessels that may be required in order to comply with any and all laws, ordinances, rules, regulations or orders of any governmental authority or court (provided that the Charterer shall not be required to comply with any such laws, ordinances, rules, regulations or orders so long as it is contesting the validity, application or interpretation thereof in good faith and by appropriate proceedings, so long as, in the reasonable opinion of the Owner and the Lenders, there is no material risk of any sale, forfeiture or loss of any Vessel or of any material criminal or civil penalty). All equipment, accessories and devices connected, affixed or installed to or on any Vessel pursuant to this Section 11(e) shall become the property of the Owner upon the expiration or termination of this Charter without cost to the Owner (and the Charterer shall, if so requested, execute appropriate instruments of conveyance to the Owner).

(f) The Charterer shall carry or cause to be carried with the ship's papers on each of the Vessels subject to the Mortgages, except unmanned vessels as to which a certified copy will be kept with the ship's papers, a properly certified copy of each Mortgage and all supplements thereto; and will cause the master or other person in charge of each such Vessel to exhibit, on demand, the said copy of each Mortgage and all supplements thereto to any person having business with the Vessel or to the representative of either Lender. Within 120 days after the Purchase Date, the Charterer shall permanently affix to each of the Vessels in a prominent location a durable metal plate bearing a permanent notice in plain type of such size that the paragraph of reading matter shall cover a space not less than six inches wide by nine inches high, which notice shall read as set forth below.

(i) In the case of any Vessel that is subject to the Mortgages, the notice shall read as follows:

"NOTICE OF FLEET MORTGAGES AND CHARTER

"This Vessel is owned by Olive Leasing Corporation; is covered by a First Preferred Fleet Mortgage in favor of Citicorp Industrial Credit, Inc. under authority of the Ship Mortgage Act, 1920, as amended; is covered by a Second Preferred Fleet Mortgage in favor of NYTR Transportation Corp. under authority of said Act; and is under bareboat charter to said NYTR Transportation Corp. No person has any right to create or permit to be placed upon this Vessel any lien whatsoever other than

liens for wages of a stevedore and the crew in respect of this Vessel under certain conditions, for general average or for salvage, or certain liens subordinate to said fleet mortgages incident to current operations or for maintenance or repairs."

(ii) In the case of any Vessel that is not subject to the Mortgages, the notice shall read as follows:

"NOTICE OF SECURITY INTERESTS AND CHARTER

"This Vessel is owned by Olive Leasing Corporation; is subject to a senior security interest in favor of Citicorp Industrial Credit, Inc.; is subject to a subordinate security interest in favor of NYTR Transportation Corp.; and is under bareboat charter to said NYTR Transportation Corp. No person has any right to create or permit to be placed upon this Vessel any lien whatsoever other than liens for wages of a stevedore and the crew in respect of this Vessel under certain conditions, for general average or for salvage, or certain liens subordinate to said security interests incident to current operations or for maintenance or repairs."

If any Vessel not subject to the Mortgages later becomes subject to the Mortgages, the Charterer shall replace the plate then attached to such Vessel with a plate as described in clause (i) above within 120 days.

(g) The Charterer shall not allow the name of any person other than the Owner to be placed on any of the Vessels as a designation which might be interpreted as indicating a claim of ownership thereof by such person, but for the purposes of identification the Charterer or any assignee, subcharterer or operator permitted under Section 15(a) hereof shall have the right at its expense to paint the Vessel in its own colors, to install and display its insignia, and to fly its own house flag, or to utilize the colors, insignia, numbers, corporate logo or flag of any corporation controlling, controlled by, or under common control with, the Charterer or any such assignee, subcharterer or operator.

(h) The Owner, the Lenders and their authorized representatives shall have the right, but not the duty, to inspect the Vessels and their cargoes and papers and the Charterer's records pertaining thereto at reasonable times and upon reasonable notice, for the purpose of ascertaining whether the Charterer is properly performing its obligations under this Charter. Upon the request of the Owner or either Lender, the

Charterer shall confirm the location of each Vessel and such records and shall make the Vessels and such records available to the Owner, the Lenders and their authorized representatives for inspection. Any such inspection shall be conducted so as not to interfere unreasonably with the normal use, operation, maintenance and repair of the Vessels or the normal conduct of the business of the Charterer. Information obtained pursuant to this Section 11(b) shall be used solely by the Owner and the Lenders for the purposes set forth herein, and shall not be disclosed to any other persons except (i) pursuant to the order of a court or governmental authority of competent jurisdiction or (ii) in the case of either Lender, to any bank or other financial institution that has purchased a participation in a Loan and agreed in writing to be bound by this Section 11(h).

Section 12. Damage; Event of Loss.

(a) If any Vessel is damaged to a material extent by any occurrence whatsoever, the Charterer shall promptly notify the Owner and the Lenders and thereafter promptly determine whether such damage has resulted in the occurrence of an Event of Loss with respect to such Vessel. If no Event of Loss has occurred with respect to such Vessel, the Charterer shall repair and restore such Vessel to the condition required by Section 11 hereof as promptly as may be practicable.

(b) Upon the occurrence of an Event of Loss with respect to any Vessel, the Charterer shall promptly notify the Owner and the Lenders and, on the Loss Payment Date next following such Event of Loss, the Charterer shall pay to the Owner an amount equal to the Casualty Value of such Vessel on such Loss Payment Date. After the payment of such Casualty Value and all other Hire due and owing with respect to such Vessel, (i) if such Event of Loss occurred during the Basic Term, Annual Base Volume shall be reduced for such calendar year and all subsequent calendar years in accordance with the provisions of Section 12(c) hereof, (ii) if such Event of Loss occurred during a Renewal Term, the Charterer's obligation to pay further Basic Hire attributable to such Vessel (including Basic Hire otherwise payable on the date on which Casualty Value is required to be paid) shall cease, but the Charterer's obligation to pay Supplemental Hire to the extent accruing prior to the payment of such Casualty Value and other Hire shall remain unchanged, (iii) the Owner shall transfer its entire right, title and interest in and to such Vessel to the Charterer, without any representation or warranty except that such Vessel is free and clear of any Owner's Liens, and (iv) if no Charter Event of Default shall have occurred and be continuing, the Owner and each Lender shall pay to the Charterer all sums received by the Owner or such Lender from any person other than the Charterer (including without

limitation all sums received from any insurer or governmental authority) by reason of such Event of Loss up to the amount of the Casualty Value theretofore paid by the Charterer.

(c) In the case of any Events of Loss occurring during the first six months of a calendar year during the Basic Term, (i) Annual Base Volume for such calendar year shall be reduced ratably in accordance with one-half of the sum of the Applicable Fractions relating to the Vessels as to which such Events of Loss occurred and (ii) Annual Base Volume for each succeeding calendar year during the Basic Term shall be reduced ratably in accordance with the full amount of the sum of such Applicable Fractions. In the case of any Events of Loss occurring during the last six months of a calendar year during the Basic Term, Annual Base Volume for each succeeding calendar year during the Basic Term shall be reduced ratably in accordance with the full amount of the sum of the Applicable Fractions relating to the Vessels as to which such Events of Loss occurred. For purposes of this Section 12(c), all Applicable Fractions shall be determined as of the applicable Loss Payment Dates. Reductions under this Section 12(c) shall be cumulative.

Section 13. Insurance.

(a) The Charterer shall at its own expense cause to be carried and maintained casualty insurance and liability insurance with respect to each Vessel with responsible insurance companies, in each case in such forms, against such risks and in such amounts as are customarily insured against with respect to vessels of similar size, design, class and age used in the transportation of Aggregate by responsible owners, charterers and operators of such vessels similarly situated as the Charterer. In no event shall the amount of casualty insurance coverage at any time be less than the aggregate Casualty Values of all Vessels as of the next Loss Payment Date, and in no event shall the amount of liability insurance at any time be less than \$25,000,000. Each policy with respect to such insurance shall (i) name the Charterer, the Owner, the Senior Lender and the Subordinated Lender as insureds and (in the case of casualty insurance coverage) as loss payees, as their respective interests may appear, (ii) include an effective waiver by the insurer of all claims against each insured (other than the Charterer) for premiums, commissions and assessments, (iii) provide that each insured (other than the Charterer) shall be insured notwithstanding any breach of any condition or warranty or any other act by the Charterer or any other person, (iv) provide that such insurance shall be primary insurance and shall be payable without right of contribution from any other insurance coverage, (v) provide that no cancellation or material change shall be effective as to any insured (other than the Charterer) until at

least 15 days after the receipt by such insured of written notice thereof, and (vi) waive any right of subrogation against any insured (other than the Charterer).

(b) Notwithstanding any other provision of Section 13(a) hereof, all proceeds of any casualty insurance in excess of \$150,000 shall be paid over (i) to the Senior Lender (if the Senior Security Agreement has not been discharged), or to the Subordinated Lender (if the Senior Security Agreement has been discharged but the Subordinated Security Agreement has not been discharged), or to the Owner (if both of the Security Agreements have been discharged), in each case for application to the payment of Casualty Value in the case of an Event of Loss with respect to any Vessel (and the Charterer hereby appoints the Senior Lender, the Subordinated Lender or the Owner, as the case may be, its attorney in fact for the purpose of asking, requiring, demanding, receiving, compounding and giving acquittance for any and all such casualty insurance proceeds), and any balance remaining after payment in full of such Casualty Value shall be remitted to the Charterer if no Charter Event of Default shall have occurred and be continuing, or (ii) so long as no Charter Event of Default shall have occurred and be continuing, to the reimbursement of the Charterer for the cost of repairing and restoring any damaged Vessel as to which no Event of Loss shall have occurred. All proceeds of any casualty insurance equal to or below \$150,000 shall, so long as no Charter Event of Default shall have occurred and be continuing, be paid over to the Charterer for application to the payment of Casualty Value or the cost of repairing and restoring any damaged Vessel, as the case may be. Each casualty insurance policy maintained pursuant to Section 13(a) hereof shall provide for payment as aforesaid.

(c) The Charterer shall, on or before January 31 of each calendar year, furnish appropriate evidence of all insurance maintained hereunder to the Owner and each of the Lenders.

(d) The Owner and the Charterer shall each have the right to maintain any casualty insurance on the Vessels in addition to the insurance required to be maintained pursuant to the preceding provisions of this Section 13 for the purpose of protecting the Fair Market Sales Value of the Vessels net of the value of the charter interest created hereby (in the case of the Owner) or of protecting the value of the charter interest created hereby (in the case of the Charterer), provided that such additional casualty insurance would not in any way impair any insurance so required to be maintained. The parties hereto shall cooperate with each other to effectuate the purposes of the preceding sentence, and the party desiring such additional insurance shall reimburse the other party for any costs or

expenses incurred by it in so cooperating and shall indemnify and hold such other party harmless in respect of any premiums, commissions or assessments relating to such additional insurance.

Section 14. General Indemnification.

The Charterer agrees to assume liability for, and agrees to indemnify, protect, save and keep harmless (on an after-tax basis) each Indemnified Person from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including without limitation legal fees and expenses) of any kind and nature whatsoever (collectively, "Claims") which may be imposed on, incurred by or asserted against any Indemnified Person, whether or not such Indemnified Person shall also be indemnified or entitled to be indemnified by any other person, in any way relating to or arising out of the Basic Documents or any transactions contemplated thereby, or the performance or enforcement of any of the terms thereof, or in any way relating to or arising out of the construction, sale, purchase, acceptance, rejection, ownership, delivery, charter, subcharter, possession, use, operation, maintenance, repair, condition, documentation, registration, return, storage or disposition of any Vessel or any accident in connection therewith, including without limitation any Claim involving strict or absolute liability, any Claim involving latent and other defects, whether or not discoverable, and any Claim for patent, trademark or copyright infringement; provided, however, that the Charterer shall not be required to indemnify any Indemnified Person under this Section 14 for (i) any Claim with respect to any Vessel arising from acts or events which occur after such Vessel has been transferred to the Charterer in accordance with Section 12(b) or 19 hereof or otherwise, or after this Charter has expired or otherwise terminated with respect to such Vessel and such Vessel has been returned to the Owner in accordance with Section 7 hereof, or (ii) any Claim arising from acts which constitute the willful misconduct or gross negligence of such Indemnified Person, or (iii) any Claim with respect to the subject matter of the Tax Indemnity Agreement or with respect to the payment of taxes for which such Indemnified Person is responsible pursuant to Section 10 hereof. The Charterer agrees that neither the Owner nor any other Indemnified Person shall be liable to the Charterer for any Claim caused directly or indirectly by the inadequacy or unsuitability of any Vessel for any purpose or any deficiency or defect therein or the use of maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business, all of which shall be the risk and responsibility of the Charterer.

Section 15. Subcharter and Assignment.

(a) The Charterer shall not subcharter any Vessel, nor assign, transfer, grant a security interest in or otherwise dispose of all or any portion of its right, title or interest in, to or under this Charter, except with the prior written consent of the Owner and the Lenders, and any attempted subcharter, assignment, transfer, grant or disposition shall be void and of no effect unless so consented to by the Owner and the Lenders. In no event shall any of the actions specified in this Section 15(a), whether or not the Owner shall have consented thereto, relieve the Charterer of any of its obligations under this Charter, whether or not accrued.

(b) The Owner shall not sell, assign, transfer, grant a security interest in or otherwise dispose of any Vessel or any interest therein, or all or any portion of its right, title or interest in, to or under this Charter, except (i) pursuant to or as expressly contemplated by the Basic Documents, including without limitation the Liens of the Security Agreements and the Mortgages, the remedial provisions contained in the Security Agreements, the Mortgages and this Charter and the provisions of this Charter relating to Owner Requisition and sale, or (ii) in the case of any Vessel, after the expiration of this Charter or the termination of this Charter as to such Vessel, subject to any right of the Charterer hereunder.

Section 16. Owner Requisition.

(a) If (i) within three days after any Basic Hire Date during the Basic Term the Basic Hire paid pursuant to Section 4(a) hereof plus the amount, if any, paid by the Charterer pursuant to Section 4(c) hereof shall be less than the Annual Base Amount for the preceding calendar year or (ii) within three days after July 1 of any calendar year during the Basic Term the amounts paid by the Charterer pursuant to Sections 4(b) and 4(d) hereof shall be less than the Semiannual Base Amount for the current calendar year, then the Owner may, upon not less than 10 Business Days' prior written notice to the Charterer in the case of any loaded Vessels, and upon not less than two Business Days' prior written notice to the Charterer in the case of any empty Vessels, requisition the use of any or all of the Vessels in accordance with the terms and conditions set forth in this Section 16. Such notice shall identify the Requisitioned Vessels and such additional information and instructions concerning such Owner Requisition as may be appropriate.

(b) The Owner may hold, keep idle, operate or charter to others any or all of the Requisitioned Vessels, as the Owner in its sole discretion may determine, free and clear of any

rights of the Charterer except as expressly provided in this Section 16. All Requisitioned Vessels shall be held, used, operated, insured, maintained and repaired by the Owner (or for the account of the Owner) during the term of the Owner Requisition, at the sole risk, cost and expense of the Owner. If so instructed by the Owner, the Charterer shall promptly return each Requisitioned Vessel to the Owner in accordance with the applicable provisions of Section 7 hereof. Either the Owner or the Charterer shall be entitled, at the Charterer's expense, to cause to be conducted a survey of any Requisitioned Vessels at the commencement of an Owner Requisition with respect thereto, and the Charterer shall pay the costs, if any, of restoring such Requisitioned Vessel to the condition required by Section 11 hereof, and any damages suffered by the Owner as a result of any loss of use of such Requisitioned Vessel during the time required to effect such restoration, provided that no such survey shall extend the periods provided for in Section 16(a) hereof unless such period is extended by the Owner.

(c) The Owner may engage the Charterer or any other person to operate, insure, maintain or repair the Requisitioned Vessels. If the Owner requests the Charterer to perform any of the aforesaid services on its behalf, the Charterer shall be required to perform the services so requested (i) in the capacity of an independent contractor and (ii) in accordance with the applicable standards and requirements set forth in this Charter, but subject to receiving advances or reimbursement as hereinbelow provided. The Charterer shall be entitled to receive, upon demand, such reasonable advances from the Owner in respect of any and all direct out-of-pocket expenses incurred by it in performing such services, as the same shall have been estimated by the Charterer in good faith, including without limitation advances for the following expenses: the properly allocable share of salaries, wages and including fringe benefits of employees directly engaged in the operation, maintenance and repair of the Requisitioned Vessels; the costs of materials, supplies and parts used in connection with the operation, maintenance and repair of the Requisitioned Vessels or incorporated in the Requisitioned Vessels; the properly allocable share of premiums, commissions and assessments related to the insurance on the Requisitioned Vessels; all towing, docking and fleeting charges related to the movement or storage of the Requisitioned Vessels; and all Impositions related to the ownership, operation, maintenance and repair of the Requisitioned Vessels; but excluding any overhead or administrative expenses. The Charterer shall also be entitled to reimbursement for all direct out-of-pocket expenses for which it would have been entitled to receive advances pursuant to the preceding sentence, to the extent that advances with respect to such expenses were not previously made or were insufficient in amount to cover such expenses. Such reimbursement shall be paid

by the Owner promptly after demand therefor by the Charterer accompanied by invoices or other reasonable evidence of payment. The Charterer shall deliver to the Owner an accounting of all expenses, advances and reimbursements described herein not less frequently than on a quarterly basis. To the extent that the advances and reimbursements received by the Charterer exceed the actual expenses, such excess shall be applied to future expenses or, if no such expenses are anticipated, shall be refunded to the Owner. To the extent that the Charterer is not engaged to operate, insure, maintain or repair the Requisitioned Vessels, it shall be relieved of its obligations under this Charter with respect to such operation, insurance, maintenance and repair, with respect to Events of Loss, and for any indemnification obligations under Sections 10 and 14 hereof, in each case to the extent that such obligations accrue or arise out of matters occurring during the Owner Requisition of such Requisitioned Vessels.

(d) The Owner may sell any or all of the Requisitioned Vessels at public or private sale, as the Owner may determine, free and clear of any rights of the Charterer. Upon any such sale of a Requisitioned Vessel, this Charter shall terminate with respect to such Requisitioned Vessel.

(e) The Charterer shall have no interest in the revenues or receipts arising from the use, operation or disposition of any Requisitioned Vessel, except to the extent of its security interest under the Subordinated Security Agreement if it is then the Subordinated Lender.

(f) The Owner Requisition of any Requisitioned Vessel shall terminate upon the first to occur of the following events: (i) the sale of such Requisitioned Vessel pursuant to Section 16(d) hereof, (ii) the expiration or termination of this Charter with respect to such Requisitioned Vessel pursuant to the express provisions of this Charter, (iii) the return of such Requisitioned Vessel to the Charterer under this Charter after the Owner, by notice to the Charterer, shall have declared the Owner Requisition of such Requisitioned Vessel to be terminated, or (iv) if agreed to by the Owner and the Lenders, the payment by the Charterer of all amounts by which the Owner Requisition of all Requisitioned Vessels might have been avoided, together with interest on such amounts at the Overdue Rate from the respective date or dates on which the payment of such amounts would have prevented any Owner Requisition to the date of payment in full by the Charterer of all such amounts and interest. Upon termination of the Owner Requisition of any Requisitioned Vessel pursuant to clause (iii) or (iv) of the preceding sentence the Owner shall promptly return such Requisitioned Vessel to the Charterer under this Charter. Upon the return of any Vessel to the Charterer at

the termination of any Owner Requisition with respect thereto, such Vessel shall be in at least as good condition as when such Owner Requisition began, subject to such ordinary wear and tear as might reasonably be expected during the period of such Owner Requisition for river scows of similar size, design, class and age engaged in the transportation of Aggregate. The Charterer, at its expense, shall be entitled to cause to be conducted a survey of any Requisitioned Vessel at the termination of an Owner Requisition with respect thereto, and the Owner shall reimburse the Charterer for such reasonable costs as may be incurred by the Charterer in restoring such Requisitioned Vessel to the condition required by the preceding sentence after such return.

Section 17. Charter Events of Default.

The following events shall constitute Charter Events of Default:

(a) The Charterer shall fail to make any payment of Basic Hire or Casualty Value when the same shall become due or shall fail to make any other payment of Hire within 10 days after the same shall become due, and any such failure shall continue for three days after the Charterer's receipt of written notice thereof from the Owner or either Lender (provided that the failure to pay Excepted Payments shall be a Charter Event of Default or Charter Default only if the Owner shall so elect); or

(b) The Charterer, NYTR or Lone Star shall fail in any material respect to perform or observe any other covenant, condition or agreement to be performed or observed by it under any of the Basic Documents to which it is a party (other than the Tax Indemnity Agreement unless the Owner shall otherwise elect), or under any document or certificate delivered by it or on its behalf in connection therewith, and such failure shall continue for 30 days after the Charterer's receipt of written notice thereof from the Owner or either Lender, provided that if any such failure is not capable of being corrected within such 30-day period, such failure shall not constitute a Charter Event of Default so long as the Charterer institutes corrective action within such period and diligently pursues such action to completion, unless, in the reasonable opinion of the Owner or either Lender, such failure results in a material risk of any sale, forfeiture or loss of any Vessel or of the imposition of any material liability or penalty upon any Indemnified Person; or

(c) Any representation or warranty made by the Charterer, NYTR or Lone Star in any of the Basic Documents to which it is a party (other than the Tax Indemnity Agreement unless the Owner shall otherwise elect), or in any document or certificate furnished by it or on its behalf in connection

therewith, shall prove to have been incorrect in any material respect when such representation or warranty was made or given; or

(d) Except as expressly permitted by the provisions of this Charter, the Charterer shall sell, transfer, encumber, assign or sublet any Vessel or any of its rights or obligations under this Charter; or

(e) The Charterer, NYTR or Lone Star shall be involved in financial difficulties as evidenced

(i) by its commencement of a voluntary case under Title 11 of the United States Code as from time to time in effect, or by its authorizing, by appropriate proceedings of its board of directors or other governing body, the commencement of such a voluntary case;

(ii) by its filing an answer or other pleading admitting or failing to deny the material allegations of a petition filed against it commencing an involuntary case under said Title 11, or seeking, consenting to or acquiescing in the relief therein provided, or by its failing to controvert timely the material allegations of any such petition;

(iii) by the entry of an order for relief in any involuntary case commenced under said Title 11 and such order shall not be vacated within 60 days from the date thereof;

(iv) by its seeking relief as a debtor under any applicable law, other than said Title 11, of any jurisdiction relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors, or by its consenting to or acquiescing in such relief;

(v) by the entry of an order by a court of competent jurisdiction (x) finding it to be bankrupt or insolvent, (y) ordering or approving its liquidation, reorganization or any modification or alteration of the rights of its creditors, or (z) assuming custody of, or appointing a receiver or other custodian for, all or a substantial part of its property; or

(vi) by its making an assignment for the benefit of, or entering into a composition with, its creditors, or appointing or consenting to the appointment of a receiver or other custodian for all or a substantial

part of its property; or

(f) 'Lone Star shall be in default under any obligation for the payment of borrowed money, or for the deferred purchase price of any real or personal property, or for the payment of any rent or hire under any lease or charter covering any real or personal property, or for payment under guarantees in respect of any of the foregoing (collectively, "Fixed Obligations"), and the due date of any obligation in an amount exceeding \$5,000,000 shall have been accelerated or become subject to acceleration in consequence of such default, provided that no such default shall constitute a Charter Event of Default unless there have occurred a material adverse change in the business or financial condition of Lone Star and, in the reasonable opinion of the Owner or either Lender, such change creates a material risk that Lone Star will be unable within one year to pay all amounts due in respect of its Fixed Obligations as they become due and payable.

Section 18. Remedies.

(a) The Owner shall have the right, but not the duty, to take such action as it may determine for the purpose of remedying any Charter Defaults, and may during normal business hours enter upon the premises where any Vessels are located for such purpose without liability to the Charterer for or by reason of such entry. The Charterer shall pay to the Owner upon demand, as Supplemental Hire, an amount equal to all costs and expenses incurred by the Owner in exercising its rights under this Section 18(a).

(b) Upon the occurrence of any Event of Default and so long as the same shall be continuing, the Owner may, at its option, declare this Charter to be in default by written notice to such effect given to the Charterer, and at any time thereafter the Owner may exercise one or more of the following remedies, as the Owner in its sole discretion shall lawfully elect:

(1) proceed by appropriate court action, either at law or in equity, to enforce performance by the Charterer of the applicable covenants of this Charter or to recover damages for the breach thereof (provided that damages in respect of the Owner's loss of the bargain represented by this Charter shall be limited in amount to the liquidated damages provided for in paragraphs 6 and 7 below plus the costs, charges and expenses referred to in Section 18(c) hereof);

(2) demand that the Charterer, and the Charterer shall upon written demand of the Owner,

relinquish possession of any or all of the Vessels promptly to the Owner in the manner and condition required by, and otherwise in accordance with all of the provisions of, Section 7 hereof as if such Vessels were being returned at the expiration of this Charter (except that the Charterer shall, if so requested, return the Vessels or any thereof to any locations designated by the Owner in any suitable harbor area along the Atlantic Coast between Norfolk, Virginia and New London, Connecticut, as promptly as is possible consistent with marine safety); or the Owner, at its option, may withdraw the Vessels or enter upon the premises where the Vessels are located and may take immediate possession of and remove the same or any part thereof by summary proceedings or otherwise, all without interference from the Charterer and without liability to the Charterer for or by reason of such entry or taking of possession;

(3) exercise any of the rights available to the Owner under Section 16 hereof with respect to any or all of the Vessels, but only during the Basic Term;

(4) hold, keep idle, operate or charter to others any or all of the Vessels, as the Owner in its sole discretion may determine, free and clear of any rights of the Charterer, except that (i) any Aggregate transported on any such Vessel shall be disregarded in determining Transportation Volume and (ii) the Charterer's obligation to pay Basic Hire during any Renewal Term for any period commencing after the Charterer shall have been deprived of possession of the Vessels pursuant to this Section 18 shall be reduced by the net proceeds, if any, received by the Owner from chartering the Vessels or any part thereof to any Person other than the Charterer for the same period or any portion thereof;

(5) sell any or all of the Vessels at public or private sale, as the Owner may determine, free and clear of any rights of the Charterer;

(6) if this Charter shall have been terminated under paragraph (8) below, the Owner, by written notice to the Charterer specifying a Basic Hire Date or July 1 not earlier than 10 days nor later than 185 days after the date of such notice,

may demand that the Charterer pay to the Owner with respect to any or all of the Vessels as shall be specified in such notice, and the Charterer shall pay to the Owner, on the Basic Hire Date or July 1 specified in such notice, as liquidated damages for loss of a bargain and not as a penalty, any unpaid Hire for such Vessels due for periods up to and including the Basic Hire Date or July 1 specified in such notice, plus an amount equal to the excess, if any, of the aggregate Casualty Value of such Vessels, computed as of the Basic Hire Date or July 1 specified in such notice over the Fair Market Sales Value of such Vessels as of such Basic Hire Date or July 1 (it being understood that for purposes of this clause (6) Fair Market Value shall be determined on the basis of a simultaneous public sale of all of the Vessels subject to this Charter under distress conditions, but in accordance with all mandatory legal requirements) together with interest on such amount at the Overdue Rate, to the extent permitted by applicable law, from the Basic Hire Date or July 1 specified in such notice to the date of actual payment;

(7) if this Charter shall have been terminated under paragraph (8) below and the Owner shall have sold any or all of the Vessels pursuant to paragraph (5) above, the Owner, in lieu of exercising its rights under paragraph (6) above with respect to such Vessels, may demand that the Charterer pay to the Owner with respect to any or all of such vessels as shall be specified in such notice, and the Charterer shall pay to the Owner, on the Basic Hire Date or July 1 next following such sale, as liquidated damages for loss of a bargain and not as a penalty, any unpaid Hire due for periods up to and including the Basic Hire Date or July 1 next following such sale plus the amount of any deficiency between the net proceeds of such sale and the Casualty Value of such Vessels, computed as of the Basic Hire Date or July 1, next following such sale, together with interest at the Overdue Rate, to the extent permitted by applicable law, on the amount of such deficiency from the Basic Hire Date or July 1 as of which such Casualty Value is computed until the date of actual payment; and/or

(8) the Owner may terminate this Charter and may exercise any other right or remedy which may be

available to it under applicable law. Termination of this Charter by the Owner pursuant to this paragraph (8) shall in no way be deemed a release or a waiver by the Owner of the Charterer's obligations to pay the sums provided to be paid by the Charterer under this Section 18.

(c) The Charterer shall be liable for all costs, charges and expenses, including attorneys' fees and disbursements, incurred by the Owner by reason of the occurrence of any Charter Event of Default or the exercise of the Owner's remedies with respect thereto.

(d) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Owner at law or in equity. No express or implied waiver by the Owner of any Charter Default or Charter Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Charter Default or Charter Event of Default. The failure or delay of the Owner in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies, and any single or partial exercise of any particular right by the Owner shall not exhaust the same or constitute a waiver of any other right provided herein.

Section 19. Renewal and Purchase.

(a) Unless a Charter Event of Default or Owner Requisition shall have occurred and be continuing, and subject to the last sentence of Section 19(b) hereof, the Charterer shall have the right, upon the expiration of the Basic Term or any Extension Term or Renewal Term, either

(i) to purchase all (but not less than all) of the Vessels chartered hereunder as of such expiration for a purchase price equal to the aggregate Estimated Residual Value of such Vessels, payable on the Expiration Date, or

(ii) to renew this Charter as to all (but not less than all) of the Vessels chartered hereunder as of such expiration for a Renewal Term of one, two, three, four or five years (provided that no Renewal Term shall expire later than December 31, 2000) on the same terms and conditions as are set forth herein with respect to the Basic Term, except that the Basic Hire as to each Vessel shall be

equal to the Fair Market Hire for such Vessel for such Renewal Term and the Casualty Value of such Vessel throughout such Renewal Term shall be equal to the Estimated Residual Value of such Vessel.

If the Charterer shall exercise its option to purchase as above provided, the Owner shall transfer its entire right, title and interest in and to all of the Vessels chartered hereunder as of the Expiration Date to the Charterer upon receipt of the purchase price therefor and all other Hire then due and payable, without any representation or warranty except that such Vessels are free and clear of any Owner's Liens. The foregoing options shall be exercisable by written notice to the Owner, (i) in the case of a purchase or renewal at the end of the Basic Term or any Renewal Term, not later than 270 days before the expiration of the Basic Term or such Renewal Term, as the case may be, or (ii) in the case of a purchase or renewal at the end of the Extension Term, if any, not later than the later of (x) 270 days before the expiration of the Basic Term or (y) 330 days before the estimated expiration of the Extension Term (as determined in good faith by the Charterer and communicated to the Owner not later than 30 days after the commencement of the Expiration Term).

(b) Upon the request of the Charterer made at any time not earlier than 450 days before the expiration of the Basic Term or any Extension Term or Renewal Term, the Fair Market Sales Value and Fair Market Hire for each Vessel then chartered hereunder shall be determined for the purpose of assisting the Charterer in determining whether or not to exercise its option to purchase or renew pursuant to Section 19(a) hereof. The Owner agrees that if, not later than 45 days before the last date for the exercise of the options described in Section 19(a) hereof, the Charterer shall offer to purchase all (but not less than all) of the Vessels chartered hereunder at the expiration of the Basic Term, Extension Term or Renewal Term, as the case may be, for a purchase price equal to the aggregate Fair Market Sales Value of such Vessels, as then determined, the Owner shall accept such offer unless, not later than 15 days before the last date for the exercise of the aforesaid options, the Owner shall have obtained (and delivered to the Charterer a copy of) one or more firm, bona fide offers in writing from a person or persons unrelated to the Owner to purchase all of such Vessels at the expiration of the Basic Term, Extension Term or Renewal Term, as the case may be, for cash in an amount higher than the aggregate Fair Market Sales Value of such Vessels as then determined (collectively, a "Qualified Offer"). In such event, the Charterer may either offer to purchase all of such Vessels upon the terms set forth in such Qualified Offer or exercise its purchase or renewal option described in Section 19(a) hereof, in either case before the last date for such exercise. The Owner shall accept an offer from the

Charterer pursuant to the preceding sentence. If the Owner accepts the offer of the Charterer pursuant to the second or fourth sentence of this Section 19(b), (x) the Charterer may not thereafter exercise any option otherwise available to it under Section 19(a) hereof and (y) the Owner shall transfer its entire right, title and interest in and to all of the Vessels chartered hereunder as of the Expiration Date to the Charterer upon receipt of the purchase price therefor and all other Hire then due and payable, without any representation or warranty except that such Vessels are free and clear of any Owner's Liens.

(c) Unless a Charter Event of Default or Owner Requisition shall have occurred and be continuing, the Charterer shall have the right, at any time during the Term, to purchase all (but not less than all) of the Vessels chartered hereunder as of the date of such purchase (the "Reacquisition Date") for a purchase price equal to the higher of

(i) the sum of (x) the aggregate Fair Market Sales Value of such Vessels, plus (y) the amount of the Senior Loan Prepayment Premium required to be paid by the Owner in connection with the prepayment of the Senior Note and Subordinated Note on the Reacquisition Date, or

(ii) the sum of (x) the aggregate Casualty Value of such Vessels as of the Basic Hire Date or July 1 coinciding with or next preceding the Reacquisition Date, together with interest, if any, on such aggregate Casualty Value from such Basic Hire Date or July 1 to the Reacquisition Date at the rate of 16% per annum, plus (y) the amount of the Accumulated Present-Valued Basic Hire Shortfall, if any, as of the Reacquisition Date, plus (z) the amount of the Senior Loan Prepayment Premium required to be paid by the Owner in connection with the prepayment of the Senior Note and Subordinated Note on the Reacquisition Date.

If the Charterer shall exercise its option to purchase as above provided, the Owner shall transfer its entire right, title and interest in and to all of the Vessels chartered hereunder as of the Reacquisition Date to the Charterer upon receipt of the purchase price therefor and all other Hire then due and payable, without any representation or warranty except that such Vessels are free and clear of any Owner's Liens and the Liens of the Security Agreements and Mortgages. Upon such purchase, the Term shall end and the Charterer shall have no obligation or liability under this Charter or relating to the Vessels with respect to or resulting from any matter arising after the Reacquisition Date, except as provided in Section 10 or 14 hereof or in the Tax Indemnity Agreement. The foregoing option shall be exercisable

by written notice to the Owner and the Lenders not later than 90 days before the date on which the Charterer desires to purchase the Vessels pursuant to this Section 19(c). Such notice shall state the date on which the Charterer desires to purchase the Vessels pursuant to this Section 19(c) and the amount which the Charterer believes to be the correct purchase price for the Vessels in accordance with the first sentence of this Section 19(c), setting forth in reasonable detail the basis for such determination (including an assumed Market Rate for the purpose of determining the Senior Loan Prepayment Premium and Subordinated Loan Prepayment Premium, it being understood that the actual purchase price will be determined on the basis of the actual Market Rate as of the Reacquisition Date). If the Owner does not agree in writing with the Charterer's determination of the purchase price within 10 days after the receipt of the Charterer's notice, or if the Owner notifies the Charterer that it disagrees with the Charterer's determination of the purchase price, either the Charterer or the Owner may institute a determination of the Fair Market Sales Value of the Vessels pursuant to the Appraisal Procedure for the purpose of determining the correct purchase price.

Section 20. Miscellaneous.

(a) All communications provided for herein shall be in writing (which may consist of telegram, telex or cable copy) and shall become effective when received by the addressee or three Business Days after having been deposited in the United States mail, with proper postage for certified or registered mail prepaid, addressed to the applicable address specified on page 1 hereof or to such other address as either party may designate by notice to the other and (i) in the case of communications to the Owner, with a copy to LFC as provided in the Participation Agreement and (ii) in the case of communications to the Charterer, with a copy to NYTR and Lone Star as provided in the Participation Agreement.

(b) Each party hereto shall promptly and duly execute and deliver to the other party such further documents and assurances and take such further actions as such other party may from time to time reasonably request in order more effectively to carry out the intent and purpose of this Charter and to establish and protect the rights and remedies created or intended to be created in favor of each party hereunder, including without limitation the recording or filing of counterparts hereof and the filing of Uniform Commercial Code financing and continuation statements with respect hereto, in accordance with the laws of such jurisdictions, as either party may from time to time reasonably request.

(c) The terms of this Charter shall not be waived, amended, modified, supplemented or terminated in any manner whatsoever except by written instrument signed by the Owner and the Charterer.

(d) This Charter shall be binding upon and inure to the benefit of (i) the Owner, its successors and, to the extent permitted hereby, its assigns (including without limitation each Lender), and their respective agents and servants, (ii) the Charterer, its successors and, to the extent permitted hereby, its assigns, and their respective agents and servants, and (iii) to the extent provided herein, each Indemnified Person.

(e) All agreements, representations and warranties contained in this Charter or in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Charter and the expiration or other termination of this Charter.

(f) Any provision of this Charter which may be finally determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(g) This Charter shall constitute an agreement of Charter and nothing herein shall be construed as conveying to the Charterer any right, title or interest in or to the Vessels, except as a demise charterer only.

(h) To the extent that this Charter constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, (i) the single executed original of this Charter marked "Original" shall be the original for such purpose, and all other counterparts hereof and thereof shall be duplicates for such purpose, and (ii) no security interest therein may be created through the transfer of possession of any counterpart other than the Original, and (iii) as between the parties hereto it shall not be necessary for the creation of any such security interest to transfer possession of or to possess any counterpart of this Charter. The Charterer hereby authorizes the Owner to sign and file in any jurisdiction financing statements (and amendments and continuations) under the Uniform Commercial Code as in effect in such jurisdiction with respect to any or all of the Vessels, without the signature of the Charterer, provided that each such financing statement shall contain a statement to the effect that the collateral is subject

to a charter not intended as security.

(i) This Charter shall be construed in accordance with, and shall be governed by, the laws of the State of New York.

(j) Section headings are for convenience only and shall not be construed as part of this Charter nor shall they affect its meaning, construction or effect.

(k) Wherever the consent of any party to this Charter is required hereunder, such consent shall not unreasonably be withheld.

(l) Whenever the consent or other action of or notice or payment to either Lender is required pursuant to any provision of this Charter, such requirement shall cease to be of any effect, insofar as the Senior Lender is concerned, upon the discharge of the Senior Security Agreement, and, insofar as the Subordinated Lender is concerned, upon the discharge of the Subordinated Security Agreement, provided that this Section 20(l) shall not affect any right of a Lender to receive payment of any indemnities under Section 10 or 14 hereof with respect to matters arising prior to such discharge. Whenever the consent of the Subordinated Lender is required pursuant to any provision of this Charter, such requirement shall not have any effect at any time when the Subordinated Lender is the Charterer or an Affiliate of the Charter.

(m) This Charter may be executed in several counterparts, such counterparts together constituting but one and the same instrument.

IN WITNESS WHEREOF, the Owner and the Charterer have executed this Charter as of the date first above mentioned.

OLIVE LEASING CORPORATION, Owner

By 
Vice President

NYTR TRANSPORTATION CORP.,
Charterer

By _____
Vice President

**Schedule 1
to
Bareboat Charter Agreement**

DEFINITIONS

The following terms shall have the following meanings for all purposes of the agreement identified above:

Part A - Parties

Charterer: NYTR Transportation Corp., a Delaware corporation, its successors and, to the extent permitted under the Charter, its assigns.

Lenders: collectively, the Senior Lender and the Subordinated Lender.

LFC: Lease Financing Corporation, a Pennsylvania corporation, and its successors and assigns.

Lone Star: Lone Star Industries, Inc., a Delaware corporation, and its successors and assigns.

NYTR: New York Trap Rock Corporation, a Delaware corporation, its successors and, to the extent permitted by the Clinton Point Agreement, its assigns.

Owner: Olive Leasing Corporation, a Pennsylvania corporation, its successors and, to the extent permitted by the Charter and the Security Agreements, its assigns.

Participant: any of the Charterer, the Owner, the Senior Lender, the Subordinated Lender, NYTR, Lone Star or LFC.

Senior Lender: Citicorp Industrial Credit, Inc., a Delaware corporation, and its successors and assigns.

Subordinated Lender: NYTR Transportation Corp., a Delaware corporation, and its successors and assigns.

Part B - Documents

Basic Documents: collectively, the Participation Agreement, the Bill of Sale, the Charter, the Clinton Point Agreement, the Notes, the Security Agreements, the Mortgages, the Guarantees and the Tax Indemnity Agreement.

Bill of Sale: the Bill of Sale delivered or to be delivered on the Purchase Date by the Charterer to the Owner, conveying the Vessels to the Owner.

Charter: the Bareboat Charter Agreement dated or to be dated the Purchase Date between the Owner and the Charterer, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Clinton Point Agreement: the Clinton Point Agreement dated or to be dated the Purchase Date between the Owner and NYTR, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Guarantees: collectively, the NYTR Guarantee, the Lone Star Guarantee, the LFC Guarantee and the Subordinated Note Guarantee.

LFC Guarantee: the Guarantee Agreement dated or to be dated the Purchase Date of LFC in favor of the Charterer, NYTR and Lone Star, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Lone Star Guarantee: the Guarantee Agreement dated or to be dated the Purchase Date of Lone Star in favor of the Owner, LFC, the Senior Lender and the Subordinated Lender, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Mortgages: collectively, the Senior Mortgage and the Subordinated Mortgage.

Notes: collectively, the Senior Note and the Subordinated Note.

NYTR Guarantee: the Guarantee Agreement dated or to be dated the Purchase Date of NYTR in favor of the Owner, the Senior Lender and the Subordinated Lender, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Participation Agreement: the Participation Agreement dated or to be dated the Purchase Date among each of the Participants other than LFC, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Security Agreements: collectively, the Senior Security Agreement and the Subordinated Security Agreement.

Senior Mortgage: the First Preferred Fleet Mortgage given or to be given by the Owner to the Senior Lender pursuant to the Senior Security Agreement, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Senior Note: the 16% Senior Promissory Note due January 1, 1994 issued or to be issued on the Purchase Date by the Owner to the Senior Lender.

Senior Security Agreement: the Senior Security Agreement dated or to be dated the Purchase Date between the Owner and the Senior Lender, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Subordinated Mortgage: the Second Preferred Fleet Mortgage given or to be given by the Owner to the Subordinated Lender pursuant to the Subordinated Security Agreement, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Subordinated Note: the 15% Subordinated Promissory Note due January 1, 1994 issued or to be issued on the Purchase Date by the Owner to the Subordinated Lender.

Subordinated Note Guarantee: the guarantee of LFC endorsed or to be endorsed on the Subordinated Note.

Subordinated Security Agreement: the Subordinated Security Agreement dated or to be dated the Purchase Date between the Owner and the Subordinated Lender, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Tax Indemnity Agreement: the Tax Indemnity Agreement dated or to be dated the Purchase Date between the Charterer and the Owner, as the same may be amended, supplemented or waived from time to time in accordance with its terms.

Part C - Other Terms

Abatement: as set forth in Section 6(b) of the Charter.

Accumulated Payments Credit: an amount equal to (x) the Special Payment Account Deficiency on December 31, 1995, plus (y) the aggregate amount of any payments made on or before December 31, 1995 pursuant to Section 4(c) of the Charter.

Accumulated Present-Valued Basic Hire Shortfall: as of any date of determination, the sum of the Present-Valued Basic Hire Shortfalls on such date for each Basic Hire Date or July 1 during the Basic Term prior to such date.

Affiliate: With respect to any person, any other person which, directly or indirectly, controls, or is controlled by, or is under common control with, the such person, and any director, officer or employee of any such person. For purposes of this definition, "control" shall include the power, directly or indirectly, either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors of such person or (ii) direct or in effect cause the direction of the management and policies of such person, whether by contract or otherwise.

Aggregate: aggregate, crushed rock, gravel, sand, slag or any similar material customarily used in construction or roadbuilding that is suited for transportation on the Vessels.

Aggregate Owner's Cost: an amount equal to the sum of the Aggregate Purchase Price plus the Transaction Costs paid or to be paid by the Owner (i.e., \$18,173,780).

Aggregate Purchase Price: the sum of the Purchase Prices of all of the Vessels, i.e. \$18,077,000.

Annual Base Amount: for any calendar year during the Basic Term, the Annual Base Volume for such calendar year multiplied by the Base Rate.

Annual Base Volume: for any calendar year during the Basic Term, a Transportation Volume equal to 1,200,000 cubic yards (plus, for calendar year 1984, 3,290 cubic yards times the number of days from and including the Purchase Date to and including December 31, 1983), less any reductions in such amount pursuant to Section 12(c) of the Charter following any Event of Loss.

Applicable Fraction: for any Vessel as of any Loss

Payment Date, a fraction, the numerator of which is the Casualty Value for such Vessel on such Loss Payment Date and the denominator of which is the aggregate Casualty Value for all Vessels subject to the Charter on such Loss Payment Date (including the Vessel for which such determination is being made and including any Vessels then subject to Owner Requisition).

Appraisal: the "Fair Market Value Report" dated October 20, 1983 submitted by The American Appraisal Company to Lone Star relating to 116 used river scows, a copy of which is attached to the Charter as Exhibit B thereto.

Appraisal Procedure: the following procedure for determining any disputed value which may be determined by the Appraisal Procedure pursuant to the terms of the Charter: If the appropriate party to the Charter shall have given written notice to the other requesting determination of such disputed value by the Appraisal Procedure, each party shall appoint a qualified, independent appraiser within 15 days of the giving of such notice. Each appraiser so appointed shall be instructed to determine independently such disputed value in accordance with the applicable definition contained herein and within 30 days after the giving of such notice. If the difference between the amounts so determined by the two appraisers shall not exceed 10% of the lesser of such amounts, then the disputed value shall be an amount equal to 50% of the sum of the amounts so determined. If the difference between the amounts so determined shall exceed 10% of the lesser of such amounts, then such two appraisers shall have 10 days to appoint a third appraiser, who shall be instructed to determine the disputed value in accordance with the applicable definition contained herein and within 20 days after such appointment, and the disputed value shall be the amount so determined by the third appraiser. This provision for determination by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law. All costs of any such appraisals shall be borne in equal shares by the Charterer and the Owner.

Authorized Newspapers: the "Wall Street Journal" (all editions), the "Journal of Commerce" and a newspaper of general circulation printed in the English language, customarily published on each Business Day, and of general circulation in New York, New York.

Base Payment: as set forth in Section 4(a) of the Charter.

Base Rate: \$3.00 per cubic yard.

Basic Hire: (i) with respect to the Basic Term, all charter hire required to be paid by the Charterer pursuant to Sections 4(a) and 4(b) of the Charter, including Base Payments and any Discount Payments and Special Payments, and (ii) with respect to any Renewal Term, the quarterly installments of charter hire required to be paid by the Charterer throughout such Renewal Term pursuant to Section 4(f) of the Charter.

Basic Hire Date: during the Basic Term, each January 1, commencing January 1, 1985, and the last day of the Basic Term; and during any Renewal Term, the quarter-annual dates commencing three months after the last day of the Basic Term, Extension Term or Renewal Term immediately preceding such Renewal Term.

Basic Hire Shortfall: for any Basic Hire Date during the Basic Term, the amount, if any, by which the Hire paid on such Basic Hire Date pursuant to Section 4(a) and 4(c) of the Charter is less than the Annual Base Amount for the preceding calendar year less the amount of Hire paid on the preceding July 1 pursuant to Sections 4(b) and 4(d) of the Charter; and for any July 1 during the Basic Term, the amount, if any, by which the Hire paid on such July 1 pursuant to Sections 4(b) and 4(d) of the Charter is less than the Semiannual Base Amount for the current calendar year.

Basic Term: the period commencing on the Purchase Date and continuing through and including December 31, 1995, or such earlier date on which the Charter shall have been terminated in accordance with the terms thereof.

Business Day: any day which is not a Saturday, Sunday or day on which banks are authorized or required to be closed in New York.

Capacity: for any Fleet Vessel, the aggregate volume of Aggregate (measured in cubic yards) that can be transported by such Fleet Vessel under normal operating conditions, determined in accordance with practices customary in the Aggregate shipping industry. For any Vessel, the Capacity is agreed to be the capacity set forth in the Appraisal with respect to such Vessel.

Casualty Value: for any Vessel on any date, the amount determined by multiplying (x) the Owner's Cost of such Vessel times (y) the percentage determined in accordance with Exhibit C to the Charter, plus the Discounted Estimated Residual Value of such Vessel on such date.

Charter Capacity: for any calendar year, the aggregate Capacity of all of the Vessels under charter to the Charterer at any time during such calendar year, provided that, with respect

to any Vessel that is under charter to the Charterer for a portion of such calendar year only by reason of an Event of Loss or that is not available for use by the Charterer or available for use by the Charterer for only a portion of such calendar year by reason of an Owner Requisition, there shall be included in Charter Capacity on account of such Vessel for such calendar year only the Capacity of such Vessel multiplied by a fraction, the numerator of which is the number of days in such calendar year during which such Vessel was under charter and available to the Charterer and the denominator of which is 365.

Charter Default: a Charter Event of Default or an event or condition which, with the giving of notice or the passage of time or both, would become a Charter Event of Default.

Charter Event of Default: any of the events or conditions set forth in Section 17 of the Charter.

Charterer's Vessel Storage Facilities: any dock, fleeting area or other facility owned, operated or used by the Charterer for the temporary storage of river scows.

Claims: as set forth in Section 14 of the Charter.

Code: the Internal Revenue Code of 1954, as amended and in effect from time to time.

Discount Payment: as set forth in Section 4(a) of the Charter.

Discounted Estimated Residual Value: for any Vessel on any date, an amount equal to the Estimated Residual Value of such Vessel discounted from December 31, 1995 to the date of determination using an interest rate of 12% per annum, compounded semiannually on each January 1 and July 1.

Documentation Date: the date on which an Undocumented Vessel is documented.

Documented Vessel: any Vessel that is documented as a vessel of the United States in accordance with 46 CFR Chapter 67.

Estimated Residual Value: for any Vessel, an amount equal to the Purchase Price for such Vessel times the percentage for such Vessel set forth in the Appraisal under the column heading "Residual Value 12-Year."

Event of Loss: as to any Vessel, an Event of Loss shall be deemed to have occurred (i) if such Vessel shall be lost, stolen, seized, forfeited, destroyed, damaged to such extent as

to make repair uneconomic or impracticable, or permanently rendered unfit for its intended use for any reason, or (ii) if title to or use or possession of such Vessel shall be taken or requisitioned by any governmental authority, or (iii) complying with Section 11(e) of the Charter with respect to such Vessel would be uneconomic or impracticable (and for purposes of this clause (iii) such compliance shall not be deemed uneconomic unless the direct costs thereof would exceed \$25,000 for such Vessel).

Excepted Payments: all Supplemental Hire payable to the Owner pursuant to Section 10 or 14 of the Charter and all amounts payable by the Charterer under the Tax Indemnity Agreement.

Excess Volume: for any calendar year, the excess (if any) of Transportation Volume for such calendar year over Annual Base Volume for such calendar.

Excess Volume Discount: for any calendar year, the Excess Volume for such calendar year (if any) multiplied by \$2.90 per cubic yard.

Excess Volume Discount Account: a book account to be maintained by the Charterer, the balance of which on any date shall be an amount equal to (x) the aggregate Excess Volume Discounts for all prior calendar years (excluding any Excess Volume Discounts credited to the Special Payment Account) less (y) the aggregate amount of any Discount Payments theretofore paid.

Expiration Date: the last day of the Term.

Extension Term: if elected, the period commencing on January 1, 1996 and ending on the earlier of (i) December 31, 1997 or (ii) the date on which the aggregate volume of Aggregate transported by the Charter on all of the Vessels after December 31, 1995 shall first be equal to or greater than the quotient obtained by dividing the Accumulated Payments Credit by the Base Rate.

Facility: the facility presently being operated by NYTR at Clinton Point in Poughkeepsie, New York for the extraction, processing, storage and loading for shipment of Aggregate, including all land, real property rights, buildings, improvements, docks, equipment and facilities necessary or useful for such activities, whether now or hereafter existing.

Fair Market Hire: for any Vessel as of a particular date, the open market periodic charter hire that an informed and willing person (other than a charterer or user in possession)

would pay to bareboat charter such Vessel (if no longer subject to the Charter) in an arm's length transaction with a willing and informed owner under no compulsion to charter, as such periodic charter hire is determined by agreement of the Owner and the Charterer or, failing such agreement, by the Appraisal Procedure.

Fair Market Sales Value: for any Vessel as of a particular date, the open market cash purchase price that an informed and willing person (other than a charterer or user in possession or a used equipment or scrap dealer) would pay for such Vessel (if no longer subject to the Charter) in an arm's-length transaction with a willing and informed owner under no compulsion to sell (except for purposes of clause (6) of Section 18(b) of the Charter, to the extent otherwise provided in said clause (6), as such price is determined by agreement of the Owner and the Charterer or, failing such agreement, by the Appraisal Procedure.

Fleet Capacity: for any calendar year, the sum of (x) the Charter Capacity for such calendar year plus (y) the aggregate Capacity of all of the Fleet Vessels owned by or under charter to the Charterer and situated in the Market Area at any time during such calendar year other than the Vessels, provided that, with respect to any such Fleet Vessel that is owned or used by or under charter to the Charterer and situated in the Market Area for only a portion of such calendar year, there shall be included in Fleet Capacity on account of such Fleet Vessel for such calendar year only the Capacity of such Fleet Vessel multiplied by a fraction, the numerator of which is the number of days in such calendar year during which such Fleet Vessel was owned or used by or under charter to the Charterer and situated in the Market Area and the denominator of which is 365.

Fleet Vessel: for any calendar year, any vessel owned or used by or under charter to the Charterer, NYTR, Lone Star or any subsidiary of any thereof during such calendar year that is reasonably suited for the transportation of Aggregate by water (including any Vessel).

Force Majeure: any event which is beyond the reasonable control of and occurs without fault or negligence of the party asserting the force majeure which, by the exercise of reasonable diligence or the incurring of reasonable expense, such party is unable to prevent or overcome, regardless of whether the event was foreseeable and whether similar or dissimilar to the following described events of force majeure, including but not limited to an act of God or an act of the public enemy; fire, flood, explosion or other serious casualty; unusually severe weather; war (whether declared or not); warlike circumstances; mobilization; revolution, riot or civil commotion; legal

intervention; regulation or order of governmental authority; strike, lock-out or other labor disputes; delay, default or damage caused by carrier, inability to obtain fuel or power; breakdowns of or damage to plant, equipment or facilities; forced outages and downtime; and inability to obtain, delay or nondelivery of materials, equipment or other items.

Hire: collectively, all Basic Hire and Supplemental Hire.

Impositions: as set forth in Section 10 of the Charter.

Increased Senior Loan Security: as set forth in Section 3.4(b) of the Senior Security Agreements.

Increased Subordinated Loan Security: as set forth in Section 3.4(b) of the Subordinated Security Agreements.

Indebtedness: the total indebtedness of any person calculated in accordance with generally accepted accounting principles consistently applied.

Indemnified Person: each of the Owner, the Senior Lender, the Subordinated Lender, LFC and their respective agents, servants, employees and officers.

Lien: any lien, charge, claim, encumbrance, security interest, mortgage, pledge, charter or subcharter.

Loan: the Senior Loan or the Subordinated Loan.

Loan Default: a Senior Loan Default or Subordinated Loan Default.

Loan Event of Default: a Senior Loan Event of Default or Subordinated Loan Event of Default.

Loss Payment Date: for any Event of Loss occurring on or before June 30 in any calendar year during the Basic Term, the next July 1; for any Event of Loss occurring after June 30 in any calendar year during the Basic Term, the next Basic Hire Date; for any Event of Loss occurring during the Extension Term (if any), the last day of the Extension Term; and for any Event of Loss occurring during any Renewal Term, the next Basic Hire Date.

Market Area: at any time, the Vessel Service Area and any other locations that may then be supplied by water-delivered Aggregate transported on board the Vessels (or any vessels similar to the Vessels) from the Facility (or any other active loading point for Aggregate along the Hudson River at which the

Vessels could be loaded and at which Aggregate could be obtained by the Charterer, NYTR, Lone Star or any subsidiary of any thereof) at costs competitive with those that would be charged by suppliers of Aggregate using other means of transport or other sources of supply of Aggregate.

Market Rate: as of any date of determination, the average of the yields to maturity, determined in accordance with generally accepted financial practice, of the most recently issued five-year and ten-year United States Treasury notes during the three-week period ending on the Friday immediately preceding the date of determination, plus 2.90% per annum.

Overall Transaction: the transactions contemplated by the Basic Documents, collectively.

Overdue Rate: the higher of (i) 17% per annum or (ii) 1% per annum above the Prime Rate, but not higher than the maximum rate permitted by applicable law.

Owner Requisition: for any Vessel, the requisition of the use of such Vessel by the Owner pursuant to Section 16 of the Charter.

Owner's Cost: for any Vessel, an amount equal to the Purchase Price for such Vessel times a fraction, the numerator of which is the Aggregate Owner's Cost and the denominator of which is the Aggregate Purchase Price.

Owner's Lien: any Lien voluntarily created by or resulting from claims against the Owner or its Affiliates (including LFC and its subsidiaries) not related to the transactions contemplated by the Basic Documents.

Permitted Lien: as set forth in Section 9 of the Charter.

Person: any corporation, partnership, trust, estate, individual, unincorporated business entity or governmental department, administrative agency or instrumentality.

Present-Valued Basic Hire Shortfall: as of any date of determination, for any Basic Hire Date or July 1 during the Basic Term, an amount equal to the sum of (x) the Basic Hire Shortfall for such Basic Hire Date or July 1 plus (y) interest on such Basic Hire Shortfall from such Basic Hire Date or July 1 to the date of determination at the rate of 16% per annum, compounded semiannually on each January 1 and July 1.

Prime Rate: the fluctuating rate of interest announced publicly by Citibank, N.A. in New York, New York from time to time as its base rate.

Purchase Date: the date on which the Vessels are purchased by the Owner from the Charterer.

Purchase Price: for any Vessel, the estimated present fair market value of such Vessel as set forth in the Appraisal under the column heading "Fair Market Value."

Reacquisition Date: as set forth in Section 19(c) of the Charter.

Renewal Term: any renewal term pursuant to Section 19 of the Charter.

Requisitioned Vessel: any Vessel the use of which has been requisitioned by the Owner pursuant to Section 16 of the Charter, until such requisition has terminated or such Vessel has been sold pursuant to said Section 16.

Semiannual Base Amount: for any calendar year, one-half of the Annual Base Volume for such calendar year multiplied by the Base Rate. For purposes of this definition, Annual Base Volume shall be determined on the basis of the status of the Vessels during the first six months of such calendar year (i.e., taking into account any Events of Loss during the first six months of such calendar year and assuming no Events of Loss during the last six months of such calendar year).

Senior Loan: the loan evidenced by the Senior Note.

Senior Loan Default: a Senior Loan Event of Default or an event or condition which, with the giving of notice or the passage of time or both, would become a Senior Loan Event of Default.

Senior Loan Event of Default: any of the events or conditions set forth in Section 3.1 of the Senior Security Agreement.

Senior Loan Prepayment Premium: on any date for the prepayment of the Senior Note pursuant to clause (ii) of Section 6.1 of the Senior Security Agreement, an amount equal to 0.50% of the unpaid principal balance of the Senior Note immediately prior to the prepayment or purchase thereof, plus (if the Market Rate is less than 16%) the amount, if any, by which the present value of the remaining installments of principal and interest on the Senior Note, determined as set forth below, exceeds such unpaid

principal balance. The present value of such remaining installments of principal and interest shall be determined by discounting such remaining installments from the respective dates on which such remaining installments were to have been paid as set forth in Schedule X to the Senior Note (as such Schedule X may have been revised pursuant to Section 2.8 of the Senior Security Agreement as the result of any partial prepayment of the Senior Note pursuant to said Section 2.8) to the date of prepayment or purchase using an interest rate equal to the Market Rate as of the date of prepayment or purchase, compounded semiannually on each January 1 and July 1.

Senior Loan Security: as set forth in the Granting Clauses of the Senior Security Agreement.

Shipbuilder: as to any Vessel, the original builder thereof.

Shortfall Volume: for any calendar year, the excess (if any) of Annual Base Volume for such calendar year over Transportation Volume for such calendar year.

Special Payment: as set forth in Section 4(a) of the Charter.

Special Payment Account: a book account to be maintained by the Charterer, the balance of which on any date shall be an amount equal to (x) 10% of the Aggregate Purchase Price, plus interest thereon from the Purchase Date to the date of determination at the rate of 12% per annum, compounded semiannually on each January 1 and July 1 (provided that, following any payment of Casualty Value pursuant to Section 12 of the Charter, the Aggregate Purchase Price for purposes of this clause (x) shall be reduced by an amount equal to the Purchase Price of the Vessels as to which Casualty Value was so paid), less (y) the aggregate amount of any Special Payments theretofore paid, plus interest on each of such Special Payments from the date on which such Special Payment was made to the date of determination at the rate of 12% per annum, compounded semiannually on each January 1 and July 1, plus (z) the aggregate amount of any Excess Volume Discounts credited to the Special Payment Account pursuant to the next sentence, plus interest on the Excess Volume Discounts so credited from the respective dates on which such credits were made to the date of determination at the rate of 12% per annum, compounded semiannually on each January 1 and July 1. On any Basic Hire Date on which the Charterer is entitled to any Excess Volume Discount pursuant to clause (i) of Section 4(a) hereof, such Excess Volume Discount shall be credited first to the Special Payment Account to the extent of the Special Payment Account Deficiency, if any, and

second to the Excess Volume Discount Account to the extent, if any, not credited to the Special Payment Account.

Special Payment Account Deficiency: on any date, the amount by which the balance of the Special Payment Account is less than the amount specified in clause (x) of the definition of "Special Payment Account."

Subordinated Loan: the loan evidenced by the Subordinated Note.

Subordinated Loan Default: a Subordinated Loan Event of Default or an event or condition which, with the giving of notice or the passage of time or both, would become a Subordinated Loan Event of Default.

Subordinated Loan Event of Default: any of the events or conditions set forth in Section 3.1 of the Subordinated Security Agreement.

Subordinated Loan Security: as set forth in the Granting Clauses of the Subordinated Security Agreement.

Supplemental Hire: Casualty Value, indemnities and all other sums from time to time due and payable by the Charterer to any other Participant under the provisions of the Basic Documents, excluding Basic Hire.

Tax Assumptions: as set forth in Section 2 of the Tax Indemnity Agreement.

Term: the Basic Term, any Extension Term and any Renewal Terms.

Transaction Costs: the reasonable out-of-pocket expenses incurred or paid by any Participant in connection with the negotiation and consummation of the Overall Transaction, including without limitation: (i) the fees of Salomon Brothers Inc, (ii) the costs of the Appraisal, (iii) the fees and disbursements of any counsel acting on behalf of the Owner or the Senior Lender, other than house counsel, (iv) the costs of documenting the Vessels, (v) the costs of any filings, recordations or similar actions under the Uniform Commercial Code, the Interstate Commerce Act or the Ship Mortgage Act, 1920, and (vi) any sales, use, stamp or documentary taxes incident to the sale of the Vessels by the Charterer to the Owner or the financing of such purchase by the Lenders.

Transportation Volume: for any calendar year during the Basic Term, the aggregate volume of Aggregate loaded onto all

Vessels during such calendar year (expressed in cubic yards). (Transportation Volume shall also include, for any calendar year during the Basic Term, the aggregate volume of Aggregate loaded in contravention of Section 6 of the Clinton Point Agreement.) For purposes of this definition, (i) calendar year 1984 shall be deemed to commence on the Purchase Date and (ii) any Aggregate transported on any Requisitioned Vessel during an Owner Requisition shall be disregarded.

Undocumented Vessel: any Vessel that is not a Documented Vessel.

Vessel: any of the 116 used open deck river scows chartered or to be chartered under the Charter, as identified in Exhibit A to the Charter.

Vessel Service Area: at any time, the locations at which the Vessels are then regularly loaded or unloaded, all navigable intracoastal waterways and rivers connecting such locations, and all navigable rivers emptying into such intracoastal waterways. At the date hereof, the Vessel Service Area includes Upper New York Bay, the Hudson River north to Poughkeepsie, the East River, the Long Island Sound east to Bridgeport and Port Jefferson, Newark Bay, Kill Van Kull, Arthur Kill, the Raritan River west to Keasby, the Hackensack River north to Bogota, the Passaic River north to Harrison, Gravesend Bay, Sheepshead Bay and Jamaica Bay.

Vessel Warranty: with respect to any Vessel, any warranty or similar undertaking given by the Shipbuilder or any shipyard or other person with respect to the design, function, capacity, construction, repair or condition of such Vessel or any part thereof.

EXHIBIT A
to
Bareboat Charter Agreement

The Vessels

<u>Name</u>	<u>Official No.</u>	<u>Name</u>	<u>Official No.</u>
BRONX	295439	FREDERICK C. PALMER	289190
QUEENS	295438	FREDERICK DeGROAT	288642
BROOKLYN	291365	GEORGE KIELEY	287957
MANHATTAN	291364	CLINTON POINT	503597
RICHMOND	291061	JOHN H. MATHIS	501995
CHELSEA	284051	JAMES BEDNAR	283629
BOGOTA	502327	AMOS BULSON	279244
FLUSHING	291883	WILLIAM E. KENNEY	276961
HELEN COEN	291558	GEORGE TILTON	287490
JILL	530185	MARY LOY TILTON	287447
PRINCIPE-DANNA	532559	MARIE TILTON	287426
FRANK CASTIGLIONE	534572	ALFRED BENSON	277802
A. L. REES	536023	JAMES HECK	277639
FRANK VIGLIAROLO	532561	PAUL W. RELYEA	277405
SAM A. ALBICOCCO	533760	MICHAEL SCUNDA	277404
THE QUADROZZIS	535192	ROCCO RANIERI	276931
JOHN E. RATH	514072	HARRY JUNE, SR.	276764
ARTHUR L. HENDRICKSON	514071	LEONARD MORIGERATO	276595
EUGENE D. HALLOCK, JR.	513383	ANTONIO CAMPALA	276502
FRANK COONEY	169852	STIRLING TOMKINS	276412
PORT WASHINGTON	514073	DAVID J. RHYNE	276413
EDWARD A. TULLY	512305	HARRY L. DIEMER	276286
CORNELIUS VANDERBILT JR.	511630	RALPH OWEN	276287
NICOLA LIZZA	510101	WILLIAM HARDING	276045
HATTITUCK	508661	KENNETH W. WHEELER	275894
JOSEPH J. CESARANO	507417	GEORGE W. JENNINGS	275876
JOSEPH M. GENOVESE	506744	JOHN CURRAN, JR.	275714
GEORGE W. THOMPSON	506302	GEORGE A. ALLEN	275713
WEST NYACK	505749	OTTO HANSEN	275528
GUS HANSEN	505258	STEPHEN M. CHONKO	275476
EDDYVILLE	504637	FRANK J. CERONI, SR.	275475
FRANCIS J. PERINI	290880	WALTER BATTEN	275374
CLARENCE RYDER	290588	TONY MANGIACASALE	275333
CHARLES E. PALMATIER	290107	JOHN J. KOVATCH	275241
RICHARD S. HOPPER	290391	FILLIPPO CENTORANI	275134

<u>Name</u>	<u>Official No.</u>	<u>Name</u>	<u>Official No.</u>
VINCENT D. ANTONELLI	275135	101	609086
FRANCIS R. COOK	274929	ROBERT H. VANDERBILT	664794
SIMON G. DU BOIS	274930	JOSEPH RAIA SR,	664792
JAMES ANDERSON, SR.	274817	GRAZIANO ZARA	664791
JOHN MONFRONI	274816	MARIE SCARMELLA	664793
GUISEPPE PIACENTINI	274725	KARLYNN 707	521482
STEPHEN GASPER	274694	CARLO E. LIZZA 710	521960
PETER QUATTROCIOCHI	274642	FRANCES II 727	523180
HENRY GUYETTE	273313	VIRGINIA M 747	524738
VINCENZO TROPIANO	272898	LB-74	293408
CHARLES F. McELROY	272284	LB-75	293615
DABNEY WILLIAMS	271553	FEENEY 16	292880
EARL OSSMAN	271487	FEENEY 17	293418
EDGAR J. COY	269658	FEENEY 19	297589
WALTER W. BOBB	269496	FEENEY 20	295053
RICHARD R. KELLY	269495	FEENEY 21	503003
JOSEPH P. McGUIRE	269494	FEENEY 22	503598
INNIS O'ROURKE	269225	FEENEY 23	535643
MARCY	298991	FEENEY 24	537085
JOSEPH D. ZELLER	281210	FEENEY 25	537814
LOUIS W. ZELLER	287277	FEENEY 26	539019
EDWARD W. ZELLER	294499	FEENEY 100	294122
GOWANUS	291060	FEENEY 101	295998

EXHIBIT B
to
Bareboat Charter Agreement

The Appraisal

FAIR MARKET VALUE REPORT

Lone Star Industries, Inc.

River Scows





THE AMERICAN APPRAISAL COMPANY

Corporate Headquarters 525 East Michigan Milwaukee, Wis 53201 Area 414 271-7240

INVESTIGATIONS • VALUATIONS • REPORTS

October 20, 1983

Lone Star Industries, Inc.
Greenwich, Connecticut

Gentlemen:

We have made an appraisal of a group of designated used aggregate river scows ("the Equipment") for the purpose of expressing an opinion of the remaining economic life of these units, their fair market value as of October 7, 1983, and the fair market value at the termination of proposed 10-, 11-, or 12-year lease periods ("the Lease Terms").

Remaining Economic Life is defined as the anticipated period of time over which the Equipment may be profitably used.

Fair Market Value is defined as the estimated amount at which the Equipment might be expected to exchange between a willing buyer and a willing seller, neither being under compulsion, each having knowledge of all relevant facts, with equity to both, and with buyer and seller contemplating continued use of the Equipment for the purpose for which it was designed and built or as modified for its present use.

For the purpose of the appraisal, we reviewed the Equipment's specifications, together with its reported cost. We conferred with manufacturers, dealers, and brokers of aggregate scows, and with users of similar equipment, concerning the nature and the type of service in which the Equipment will be useful.

The appraisal report comprises this letter, selected photographs, and a detailed inventory.

Our investigation encompassed 116 aggregated scows of various manufacture, 102 owned and 16 charter-leased by the New York Trap Rock Division of Lone Star Industries. Lone Star Industries, Inc., is one of America's leaders in the production of cement, concrete, sand, and gravel, and is a major producer of crushed stone and precast concrete products. All the Equipment was valued as if owned.

The scows are of steel construction, utilizing transverse- and longitudinal-truss design, with 1/2-inch hull sides, 3/8-inch hull bottoms, 3/4- x 5-inch hull ware rails, 1/2-inch deck, 3/8-inch bulkheads, and 3/8-inch support members.

An inspection of 70 of the scows at various New York River locations found them to be in better than average condition for their age. This can be attributed to New York Trap Rock's operating and maintenance policies.

Scows are operated in a deoxidized state with all the oxygen removed from the hull interiors and the interiors sealed with gasketed covers. This practice results in less deterioration and corrosion of the hull and promotes longevity. Continuous inspections of the scows are made by quarry personnel during marshalling and loading operations, and by company "runners" at customers' docks; runners are employees who routinely inspect the scows during unloading operations. Reports of damage or noncompliance with loading and unloading procedures are made to New York Trap Rock's marine superintendent for corrective action.

A well-documented maintenance program for repairs, which are conducted at Union Dry Dock and Repair Co. in Weehawken, New Jersey, is overseen by the marine superintendent. Scows are routinely refitted with new zinc anodes every four or five years, and repainted and redecked every seven or eight years.

The remaining economic life assigned to each aggregate scow was derived from a combination of past experience and current analysis of similar property. Incorporated in our analysis were discussions with

manufacturers, consultants, brokers, and dealers in used marine equipment. In conjunction with our inquiries, the factors of physical deterioration and functional obsolescence were discussed.

Physical Deterioration is defined as the loss in value resulting from wear and tear in operation and exposure to the elements.

Functional Obsolescence is defined as the loss in value caused by conditions within the property, such as changes in design, materials, or process resulting in inadequacy, overcapacity, excess construction, lack of utility, or excess operating costs.

One of the major factors influencing the remaining economic useful life of an asset is the maintenance and repair policy of the responsible user/operator; however, with proper maintenance and operational care, the Equipment should continue to perform the service for which it was designed in an adequate manner.

Even with proper preventive maintenance, including lubrication, cleaning, and replacement of component parts as required by the original equipment manufacturer, equipment will eventually show signs of wear requiring possible service ranging from a minor overhaul to a major rebuild. The duration between these periods of downtime is a function of maintenance, working conditions, operator diligence and surveillance, and overall equipment design.

The history of aggregate scows in this country is extensive and varied. Therefore, our determination of the remaining economic useful life is based on discussions with marine supervisory and operating personnel, manufacturers' representatives, and consultants.

Based upon the foregoing, we advise you that, in our opinion:

- (a) Without including any increases or decreases for inflation or deflation during the Lease Terms, and after subtracting any costs to the lessor for removal and delivery of possession of the Equipment

at the end of the Lease Terms, the fair market value at the end of the Lease Terms will be at least 27% of their current fair market value.

- (b) The useful life of the Equipment remaining at the end of the Lease Terms is greater than the longer of one year or 20% of the originally estimated useful life.
- (c) The Equipment will be useful and usable to parties other than the lessee or its affiliates at the expiration of the Lease Terms.

For convenience of reference, our conclusions are tabulated in Schedule I attached.

After a physical inspection of the property appraised, The American Appraisal Company made the determination that the Equipment had been maintained in good operating condition with normal preventive maintenance performed. It was assumed that the present level of maintenance would be continued and that the market for used equipment of this nature at the termination of the Lease Terms would not reflect unusual conditions of supply and demand.

We made no investigation of and assume no responsibility for title to or liabilities against the property appraised.

Respectfully submitted,

THE AMERICAN APPRAISAL COMPANY

A handwritten signature in cursive script, reading "E. W. Raether". The signature is written in dark ink and is positioned above the printed name and title.

Vice President

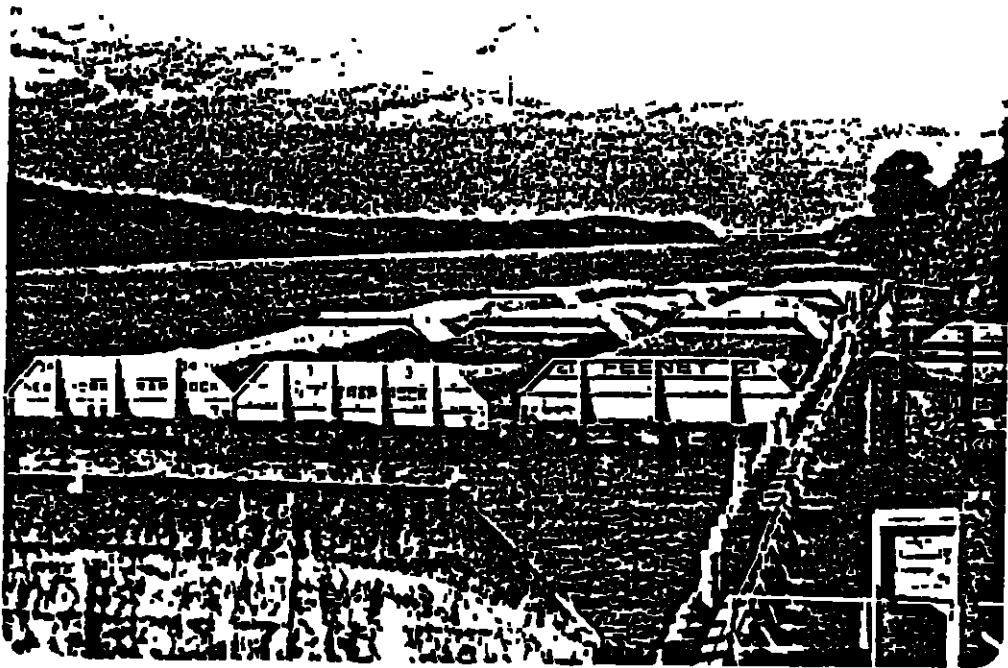
E. W. Raether
October 20, 1983

Schedule 1

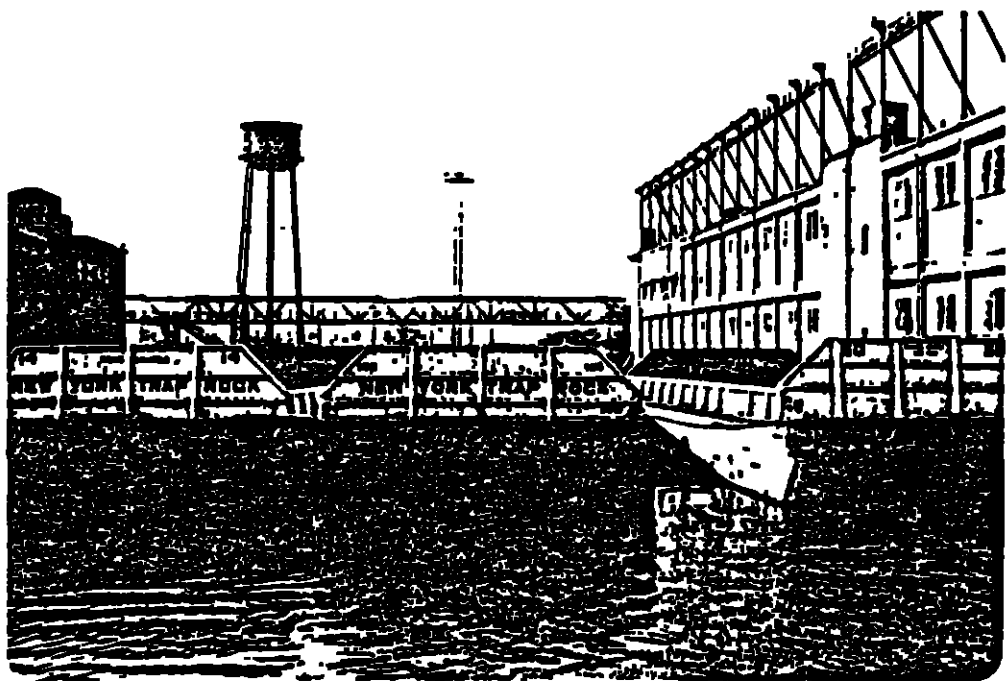
LONE STAR INDUSTRIES, INC.
NEW YORK TRAP ROCK DIVISION
Various New York River Locations

	<u>Fair Market Value</u> \$	<u>10-Year Residual Value*</u> %	<u>11-Year Residual Value*</u> %	<u>12-Year Residual Value*</u> %	<u>Composite Remaining Economic Useful Life</u> Years
Used Marine Equipment consisting of: 116 scows	18,077,000	30	30	28	21

*At the end of the Lease Terms, expressed as a percent of fair market value, as of October 7, 1983.



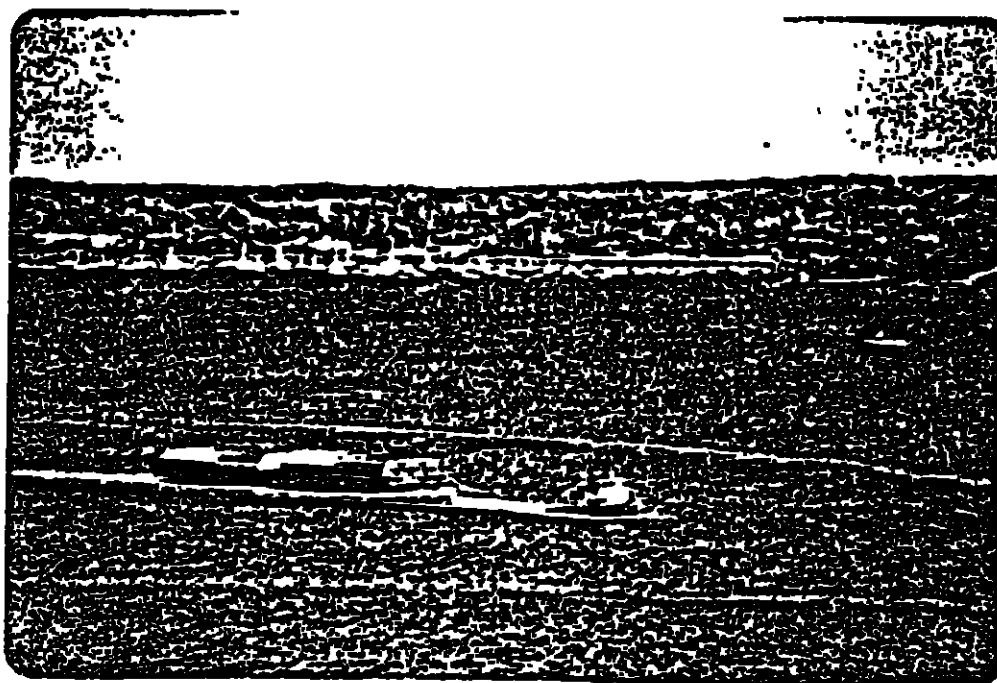
Scows at Clinton Point, New York



Scows at Pier "9", Hoboken, New Jersey



Scows at Pier "C", Hoboken, New Jersey



Scows at Whiteston Bridge, New York, New York

SCOW INVENTORY

Scow Number	Manufacturer	Name	Year Built	Ton Capacity	Inspected	Fair Market Value \$	Residual Value 10-Year %	Residual Value 11-Year %	Residual Value 12-Year %	Rem. Life Years
1	Dravo	Bronx	1963	1,425		161,000	28	28	26	20
2	Dravo	Queens	1964	1,425	Yes	161,000	28	28	26	20
3	Dravo	Brooklyn	1963	1,325	Yes	112,000	22	22	20	18
4	Dravo	Manhattan	1963	1,325	Yes	150,000	28	28	26	20
5	Dravo	Richmond	1963	1,325	Yes	112,000	22	22	20	18
6	Wiley Mfg.	Chic Isea	1964	1,175		150,000	28	28	26	20
7	Richmond Steel	Bayota	1960	1,175	Yes	150,000	28	28	26	20
8	Wiley Mfg	Flushing	1961	1,961		150,000	28	28	26	20
9	Dravo	Helen Coon	1963	1,325		150,000	28	28	26	20
10	Sound	Jill	1971	1,350	Yes	220,000	37	37	35	26
11	Sound	Principe-Danna	1971	1,350	Yes	220,000	37	37	35	26
12	Sound	Frank Castiglione	1971	1,350		220,000	37	37	35	26
13	Sound	Al Rees	1971	1,350	Yes	220,000	37	37	35	26
14	Reliance	Frank Vigliarolo	1971	1,350	Yes	220,000	37	37	35	26
15	Reliance	Sam Albicocco	1971	1,350	Yes	220,000	37	37	35	26
16	Reliance	The Quadrozzi	1971	1,350	Yes	220,000	37	37	35	26
17	Wiley Mfg.	John E. Rath	1968	1,425		200,000	33	33	31	22
18	Wiley Mfg.	Arthur J. Hendrickson	1968	1,425		200,000	33	33	31	22
19	Wiley Mfg.	Eugene D. Hallock, Jr.	1968	1,425	Yes	200,000	33	33	31	22
20	Wiley Mfg.	Frank D. Cooney	1970	1,425		220,000	37	37	35	28
21	Sound	Port Washington	1968	1,350	Yes	200,000	33	33	31	22
22	Sound	Edward A. Tully	1967	1,350	Yes	181,000	33	33	31	22
23	Sound	Cornel Vanderbilt	1967	1,350	Yes	181,000	33	33	31	22
24	Sound	Nichola Lizza	1967	1,350	Yes	181,000	33	33	31	22
25	Sound	Barbara O. Wood	1967	1,350	Yes	181,000	33	33	31	22

SCOW INVENTORY

Scow Number	Manufacturer	Name	Year Built	Ton Capacity	Inspected	Fair Market Value \$	Residual Value 10-Year %	Residual Value 11-Year %	Residual Value 12-Year %	Rem. Life Years
26	Sound	Joseph J. Cosarano	1967	1,250	Yes	168,000	33	33	31	22
27	Sound	Joseph M. Genovese	1966	1,250	Yes	168,000	33	33	31	22
28	Sound	George W. Thompson	1966	1,250		168,000	33	33	31	22
29	Sound	Walt Nyack	1966	1,250		168,000	33	33	31	22
30	Sound	Gus Hansen	1966	1,250		168,000	33	33	31	22
31	Sound	Eddyville	1966	1,250	Yes	168,000	33	33	31	22
32	Reliance	Francis Purini	1963	1,250		150,000	28	28	26	20
33	Fenney	Clarence Rydor	1963	1,250	Yes	150,000	28	28	26	20
34	Fenney	Charles E. Palmatier	1962	1,250	Yes	150,000	28	28	26	20
35	Fenney	Richard S. Hopper	1963	1,250	Yes	150,000	28	28	26	20
36	Fenney	Frederick E. Palmer	1962	1,250	Yes	112,000	22	22	20	18
37	W. F. & R	Fred DeGroat	1962	1,250	Yes	150,000	28	28	26	20
38	W F & R	George Kieley	1962	1,250	Yes	150,000	28	28	26	20
39	Sound	Clinton Point	1966	1,175	Yes	168,000	33	33	31	22
40	Sound	John Mathis	1965	1,175	Yes	168,000	33	33	31	22
41	Fenney	James Bodner	1960	1,175	Yes	150,000	28	28	26	20
42	Fenney	Amos Bulson	1959	1,175	Yes	112,000	22	22	20	18
43	W. F. & R.	William E. Kohnen	1958	1,175	Yes	112,000	22	22	20	18
44	Wiley Mfg.	George Tilton	1962	1,325		161,000	28	28	26	20
45	Wiley Mfg.	Marylou Tilton	1962	1,325	Yes	161,000	28	28	26	20
46	Wiley Mfg.	Marie Tilton	1962	1,325		161,000	28	28	26	20
47	Richmond Steel	Alfred Benson	1958	1,175	Yes	112,000	22	22	20	18
48	Richmond Steel	James Hock	1958	1,175	Yes	112,000	22	22	20	18
49R	Richmond Steel	Paul W. Relyea	1958	1,175		112,000	22	22	20	18
50	Richmond Steel	Michael Scunda	1958	1,175	Yes	112,000	22	22	20	18

SCOW INVENTORY

Scow Number	Manufacturer	Name	Year Built	Ton Capacity	Inspected	Fair Market Value \$	Residual Value 10-Year %	Residual Value 11-Year %	Residual Value 12-Year %	Rem. Life Years
51	Richmond Steel	Rocco Ranieri	1958	1,175	Yes	112,000	22	22	20	18
52	Richmond Steel	Harry June, Sr.	1958	1,175		112,000	22	22	20	18
53	Richmond Steel	Leonard Morigorato	1958	1,175		112,000	22	22	20	18
54	Richmond Steel	Antonio Compala	1958	1,175	Yes	112,000	22	22	20	18
55	Richmond Steel	Sterling Tomkins	1958	1,175	Yes	112,000	22	22	20	18
56	Richmond Steel	David J. Rhyne	1958	1,175		112,000	22	22	20	18
57	Richmond Steel	Harry J. Diemar	1958	1,175	Yes	112,000	22	22	20	18
58	Richmond Steel	Ralph Owen	1958	1,175	Yes	112,000	22	22	20	18
59	Richmond Steel	William Harding	1958	1,175		112,000	22	22	20	18
60	Richmond Steel	Kenneth W. Wheeler	1958	1,175		112,000	22	22	20	18
61	Richmond Steel	George W. Jennings	1958	1,175		112,000	22	22	20	18
62	Richmond Steel	John Curran, Jr.	1958	1,175		112,000	22	22	20	18
63R	Richmond Steel	George A. Allan	1958	1,175	Yes	112,000	22	22	20	18
64	Richmond Steel	Otto Hansen	1957	1,175	Yes	112,000	22	22	20	18
65	Richmond Steel	Stephen M. Chonko	1957	1,175	Yes	112,000	22	22	20	18
66	Richmond Steel	Frank J. Caroni, Sr.	1957	1,175		112,000	22	22	20	18
67	Richmond Steel	Walter Batten	1957	1,175	Yes	112,000	22	22	20	18
68	Richmond Steel	Tony Mangiacasole	1957	1,175	Yes	112,000	22	22	20	18
69	Richmond Steel	John J. Kovatch	1957	1,175	Yes	112,000	22	22	20	18
70	Richmond Steel	Filippo Contorani	1957	1,175		112,000	22	22	20	18
71R	Richmond Steel	Vincent D. Antonelli	1957	1,175	Yes	112,000	22	22	20	18
72	Richmond Steel	Francis R. Cook	1957	1,175	Yes	112,000	22	22	20	18
73R	Richmond Steel	Simon G. DuBois	1957	1,175		112,000	22	22	20	18
74	Richmond Steel	James Anderson, Sr.	1957	1,175	Yes	112,000	22	22	20	18
75	Richmond Steel	John Munfroni	1957	1,175		112,000	22	22	20	18

SCOV INVENTORY

Scov Number	Manufacturer	Name	Year Built	Ton Capacity	Inspected	Fair Market Value \$	Residual Value 10-Year %	Residual Value 11-Year %	Residual Value 12-Year %	Rem. Life Years
76	Richmond Steel	Giuseppe Placontini	1957	1,175	Yes	112,000	22	22	20	18
77	Richmond Steel	Stephen Gaspar	1957	1,175		112,000	22	22	20	18
78	Richmond Steel	Peter Quattrociocchi	1957	1,175	Yes	112,000	22	22	20	18
79	Richmond Steel	Henry Guyetto	1957	1,075		104,000	22	22	20	18
80	Richmond Steel	Vincent Troiano	1956	1,075	Yes	104,000	22	22	20	18
81	Richmond Steel	Charles F. McElroy	1956	1,075		104,000	22	22	20	18
83	Richmond Steel	Dabney Williams	1956	1,075	Yes	104,000	22	22	20	18
84	Richmond Steel	Earl Ossman	1956	1,175		104,000	22	22	20	18
90	Richmond Steel	Edgar J. Coy	1955	1,075		104,000	22	22	20	18
91N	Richmond Steel	Walter W. Robb	1955	1,075	Yes	104,000	22	22	20	18
92N	Richmond Steel	Richard R. Kelley	1955	1,175		104,000	22	22	20	18
93N	Richmond Steel	Joseph P. McGuire	1955	1,075		104,000	22	22	20	18
94N	Richmond Steel	Innis O'Rourke	1955	1,075		104,000	22	22	20	18
95	Dravo	Marcy	1965	1,175		168,000	33	33	31	22
96	Richmond Steel	Joseph D. Zuller	1960	1,175	Yes	150,000	28	28	26	20
97	Wiley Mfg.	Louis W. Zeller	1962	1,175	Yes	150,000	28	28	26	20
98	Wiley Mfg.	Edward W. Zeller	1964	1,250	Yes	150,000	28	28	26	20
99	Sound	Covanus	1966	1,325	Yes	181,000	33	33	31	22
101	Reliance	Tony Di Stefano	1979	1,400	Yes	321,000	47	47	44	32
102	Reliance	Robert H. Vanderbilt	1979	1,400	Yes	321,000	47	47	44	32
103	Reliance	Joseph Raja, Sr.	1980	1,400	Yes	321,000	47	47	44	32
104	Reliance	Graziano Zera	1980	1,400		321,000	47	47	44	32
105	Reliance	Marie Scarnella	1980	1,400	Yes	321,000	47	47	44	32
707	Sound	Karlynn	1968	1,350	Yes	200,000	33	33	31	22
710	Sound	Carlo E. Lizza	1968	1,350		200,000	33	33	31	22

SCOH INVENTORY

Scov Number	Manufacturer	Name	Year Built	Ton Capacity	Inspected	Fair Market Value	Residual Value -10-Year %	Residual Value -11-Year %	Residual Value -12-Year %	Rem. Life Years
721	Sound	Francos 11	1968	1,350	Yes	200,000	33	33	31	22
747	Sound	Virginia M	1968	1,350		200,000	33	33	31	22
1874	Fenney	1874	1964	1,540	Yes	161,000	28	28	26	20
1875	Fenney	1875	1964	1,540	Yes	161,000	28	28	26	20
161	Fenney	Fenney 16	1963	1,260		150,000	28	28	26	20
171	Fenney	Fenney 17	1963	1,260	Yes	150,000	28	28	26	20
191	Fenney	Fenney 19	1965	1,260		168,000	33	33	31	22
201	Fenney	Fenney 20	1964	1,260		150,000	28	28	26	20
211	Fenney	Fenney 21	1966	1,435	Yes	168,000	33	33	31	22
221	Fenney	Fenney 22	1966	1,435		168,000	33	33	31	22
231	Fenney	Fenney 23	1971	1,400		220,000	37	37	35	26
241	Fenney	Fenney 24	1971	1,400	Yes	220,000	37	37	35	26
251	Fenney	Fenney 25	1972	1,400		220,000	37	37	35	26
261	Fenney	Fenney 26	1972	1,400		220,000	37	37	35	26
1001	Fenney	Fenney 100	1964	1,275		150,000	28	28	26	20
1011	Fenney	Fenney 101	1964	1,275	Yes	150,000	28	28	26	20
					Total	18,077,000				

EXHIBIT C
to
Bareboat Charter Agreement

Casualty Values

<u>Loss Payment</u> <u>Date</u>	<u>Casualty Value*</u> <u>(% of Owner's Cost)</u>	<u>Loss Payment</u> <u>Date</u>	<u>Casualty Value*</u> <u>(% of Owner's Cost)</u>
7-1-84	106.62	7-1-90	73.28
1-1-85	104.80	1-1-91	68.92
7-1-85	102.85	7-1-91	64.20
1-1-86	100.76	1-1-92	59.11
7-1-86	98.52	7-1-92	53.60
1-1-87	96.12	1-1-93	47.65
7-1-87	93.53	7-1-93	41.20
1-1-88	90.75	1-1-94	34.22
7-1-88	87.76	7-1-94	26.67
1-1-89	84.54	1-1-95	18.48
7-1-89	81.07	7-1-95	9.61
1-1-90	77.32	12-31-95	0.00

* Plus, for any Vessel, the Discounted Estimated Residual Value of such Vessel as of the Loss Payment Date.

STATE OF PENNSYLVANIA)
COUNTY OF DELAWARE) ss.:

On this 11th day of January, 1984 before me personally appeared Richard E. Caruso, to me personally known, who being by me duly sworn, says that he is a Vice President of Olive Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Nancy L. Speaker
Notary Public

My commission expires _____

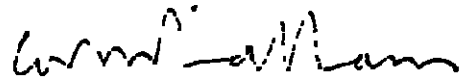
NANCY L. SPEAKER, Notary Public
Radnor Twp., Delaware Co.
My Commission Expires June 4, 1987

STATE OF CONNECTICUT)

ss.:

COUNTY OF FAIRFIELD)

On this 5th day of January, 1984 before me personally appeared Ramsey A. Moran, to me personally known, who being by me duly sworn, says that he is a Vice President of NYTR Transportation Corp., that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

My commission expires 4-1-85

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